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FIRE UNDERWRITERS ASSOCIATION
OF THE PACIFIC

Thirty-Fourth Annual Meeting

of the

Fire Underwriters' Association

of the Pacific

Held in San Francisco, California,
January 11th and 12th, 1910

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FIRE UND[illegible]ATION
OF THE PACIFIC

PROCEEDINGS

OF THE

Thirty-fourth Annual Meeting

OF THE

Fire Underwriters Association

OF THE PACIFIC

SAN FRANCISCO, CAL., JANUARY 11-12, 1910

Printed by Order of the Association

1910

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FIRE UNDERWRITERS' ASSOCIATION OF THE PACIFIC

OFFICERS FOR 1909.

President . . . . . Adam Gilliland
Vice-President . . . . . Frank C. Staniford
Secretary and Treasurer . . . . . Calvert Meade
Assistant Secretary and Librarian . . . . . J. P. Moore

EXECUTIVE COMMITTEE.

John W. Gunn — F. B. Kellam
Adam Gilliland — W. H. Gibbons
Geo. W. Dornin

DINNER COMMITTEE.

C. Mason Kinne — E. C. Morrison

CALIFORNIA KNAPSACK.

A. W. Thornton . . . . . Editor
A. C. Thornton . . . . . Associate Editor



ADAM GILLILAND

Fire Underwriters' Association

Of the Pacific

FIRST DAY

San Francisco, Cal., January 11, 1910.

The following members and guests were present at the annual meeting of January 11 and 12, 1910:

Atkins, Frank
Anderson, C H
Burke, H R
Benner, Harry
Burger, C H
Bailey, A E
Brush, R G
Banks, J H
Brown, Frank
Butler, Frederick
Brown, Grant
Bates, H L A
Blanchard, H P
Crux, Geo
Chapuis, Frank A
Coffey, W P
Clark, H D
Cleveland W W
Cosgrove, J E
Coogan, T C
Devine, Geo E
Dennis, William
DeLappe, R
Drew, S K
Dearborn, G W
Delamater, R C
Dornin, Geo W
Dollard, R E
DuVal, W S
Dennis, J J
Drecher, R
Eitel, E E
Elster, F H
Fabj, R P
Fortman, W G
French, John S
Eldred, E P
Farnsworth, E P
Francis, Guy
Fisken, A K
Folger, Roy S
Fuller, J L
Gallegos, R
Granger, H F
Griffith, P H
Gilliland, Adam
Greenwalt, C L
Gibbons, W H
Gunn, John W
Geisey, A W
Gabrielson, C D
Grove, W W
Gay, J R
Grant, H M
Gill, W S
Harrison, J H
Heuer, G A R
Harris, Chas
Harold, C R
Hildreth, H P
Hawxhurst, C W
Hewitt, Dixwell
Houseworth, Harrison
Hardcastle, Diebold
Hall, Henry
Howard, J C
Hopper, E H
Hougaard, J A
Jacoby, Franz
Jones, A W
Kalz, Bruce
Kelley, R M
Kellum, F B
Kinney, C C
Knowles, E F C
Koempel, H C
Kelly, McClure
Kenna, J R
Lyndell, Chas P
Lorigan, B W
Kinne, C Mason

Lord, L H
Lindsay, A N
Lloyd, W G
McKenzie, Lee
Mel, Louis
Mendell, J M
Morgan, W O
Manning, F J H
Miller, Chas E
Mariner, G S
Murphy, J A
Morgan, E C
Mesick, S P
McCarthy, C V
Morrow, J H
Meade, Calvert
Moore, J P
McKinley, L M
Macdonald, B
Morrison, S G
Main, Geo C
Neal, R W
Newton, H W
Osborn, R W
O'Brien, T J
Parkhurst, H E
Perry, F J
Piver, John C
Parker, D A
Palache, Whitney
Quitzow, V H
Quick, J R
Ross, A W
Rowe, E A
Robins, L H
Rountree, R H
Richards, J H
Richards, J D
Raymond, W H
Reed, J S
Smith, F G
Smith, Geo O
Spaulding, M E
Sherrard, McKee
Sexton, Wm
Stich, R G
Spencer, D A
Schonemann, F J
Stewart, D L
Smith, R E
Staniford, F C
Stoy, S B
Stone, J C
Schallenberger, C J
Simmen, Samuel
Shankland, T C
Swan, Geo W
Taffinder, W D
Tiedemann, T J A
Thornton, A W
Thornton, A C
Thompson, E R
Thompson, C R
Urmston, J K
Webber, J F R
Watson, I S
Whelan, W D
Weinmann, Louis
Warner, J W
Williams, T H
Walden, J B
Wellington, Geo J
Wilson, John Scott
Watt, Rolla V
Weinmann, P R
Young, Walter
Young, Frank H
Young, W H
Zwick, W F
Derleth, Prof. Chas Jr.
Bacon, E H

The meeting was called to order at 10 o'clock A. M. by the President of the Association, Mr. Adam Gilliland.

The President—I extend to you all, gentlemen, a most cordial greeting.

The first order of business is the calling of the roll If there is no objection, that will be dispensed with. Hearing none, it is so ordered.

The next matter of business is the reading of the minutes of the last previous meeting.

The Secretary—I move that it be dispensed with.

The President—Unless I hear some objection that will be the order, as the minutes have been printed in the Proceedings of last year. It is so ordered.

We will now listen to the annual report of the Secretary and Treasurer.

The Secretary—Mr. President and Gentlemen, I have now the pleasure of submitting to you my report for the year ending this day, both as Secretary and Treasurer. It is as follows:

FINANCIAL STATEMENT.

Balance in Bank of California, January 1, 1909		$ 720 93
Received for Annual dues	$1,325 00	
" " Initiations	145 00	
" " Insurance literature and keys	1 00	
" " Annual proceedings	21 50	
" " Assessment 1906	2 50	
" " Dividends 1 share F. F. stock	10 00	1,505 00
		$2,225 93

DISBURSEMENTS.

Paid rent of extra chairs	$ 4 50	
Stenographer report Annual Meeting	62 00	
Deficit of annual dinner	156 30	
Subscription books and publications	47 20	
Stationery, printing, binding and supplies	32 80	
1,000 copies by-laws	65 00	
Printing Annual Proceedings	324 75	
Librarian services rendered 1909	660 00	
Secretary services rendered 1909	150 00	
Postage, telephone, express and delivery	64 85	
Floral pieces	40 00	1,607 40
Balance in Bank of California		$618 53

INSURANCE INSTITUTE.

No transactions during 1909.

Balance in Bank of California $125 55

Audited and found correct.

(Signed) ADAM GILLILAND,
F. C. STANIFORD.

San Francisco, Cal., January 13, 1910.

Active members, January 6, 1909	265	
Elected during the year	39—	304
Resigned	4	
Dropped for non-payment of dues	11	
Transferred to honorary membership	1	
Deceased	4—	20
Total active members January 12, 1910		284
Total honorary members January 12, 1910		38
Total membership January 12, 1910		322

The Chairman—Gentlemen, you have heard the report of the Secretary and Treasurer. What is your pleasure?

Mr. Weinmann—I move that it be received and placed on file.

The motion was duly seconded and passed unanimously.

The President—The next will be the report of the Executive Committee. I will call upon Mr. Gunn, the Chairman of that Committee, to read the report.

REPORT OF THE EXECUTIVE COMMITTEE.

Gentlemen of the Association:

Your Executive Committee begs to report as follows:

The accounts of the Secretary and Treasurer at the close of the year 1909 show a balance in the bank of $618.53, with all bills paid. For a detailed statement of same, you are respectfully referred to the Report of said Secretary and Treasurer.

No transactions have occurred in the finances of the Insurance Institute during the year, and the same balance of $125.55 is now in the bank.

Your Committee increased the salary of the Librarian in the sum of five dollars per month, dating from January 1st, 1909.

Your Committee authorized the payment of $150 to Secretary Meade on account of his services for the year 1909, and recommends that the Association vote him an additional sum of $250 as compensation for his services for the years 1906, 1907 and 1908, he not having drawn any money during that period.

We recommend that the salary of the Secretary be fixed at $100 per annum.

We are pleased to advise you that the membership is steadily increasing, there being now in the neighborhood of 280 active members.

At the last annual meeting of the Association a resolution was passed instructing the Executive Committee to appoint a sub-committee to codify

and publish all papers bearing on the subjects of inspections and adjustments. Your Committee pleads delinquency as regards this particular work, and respectfully surrenders this duty to the incoming Executive Committee.

Respectfully submitted,

J. W. GUNN, Chairman
GEO. W. DORNIN
F. B. KELLAM
W. H. GIBBONS
ADAM GILLILAND

The President—Gentlemen, you have heard read the report of the Executive Committee. It is customary, I believe, to refer this report to a committee of three to be appointed by the President. If it is in order, I will entertain a motion to that effect.

Mr. Sexton—I move that that be done, Mr. President; that the report be received and placed on file, and that it be referred to a committee of three to be appointed by the President.

The motion was duly seconded and carried unanimously.

The President—I will appoint the committee at a later time in the session.

It is customary at this time to proceed to the election of new members. Have you a list of proposed members, Mr. Secretary?

The Secretary—I have, Mr. President, before me a list of proposed new members for the Association. It is as follows:

C. E. Allan, Independent Adjuster.
W. P. Coffey, Special Agent Fireman's Fund Ins. Co.
Z. W. Commerford, Special Agent Western Assurance Co.
A. G. Davis, Special Agent E. E. Potter General Ins. Agency.
William Dennis, Special Agent Hartford Fire Ins. Co.
Wm. A. Drennan, Manager Metropolitan Dept. National Union Fire Ins. Co.
Roy S. Folger, Special Agent Royal and Queen Ins. Cos.
C. L. Greenwalt, Special Agent Provident-Wash. Ins. Co.
J. J. Hammond, Special Agent Fireman's Fund Ins. Co.
Lowrey C. Holloway, Special Agent E. E. Potter's Agency.
L. M. Hale, Special Agent E. Brown & Sons' Agency.
George F. Heuer, Special Agent Commercial Union and Palatine Ins. Cos.
A. W. Jones, Independent Adjuster, Seattle, Wash.

C. C. Kinney, Manager Franklin Ins. Co.
McClure Kelly, Assistant Manager Franklin Fire Ins. Co.
James R. Kenna, Special Agent C. A. Henry & Co.
B. W. Lorrigan, Special Agent Hartford Fire Ins. Co.
W. G. Lloyd, Independent Adjuster, Portland, Or.
Geo. C. Main, Independent Adjuster, Seattle.
H. R. Mann, Jr., Special Agent H. R. Mann & Co.
H. E. O'Brien, Special Agent Ætna Ins. Co.
J. T. O'Brien, Special Agent Royal and Queen Ins. Cos.
E. E. Potter, Manager E. E. Potter General Ins. Agency.
W. W. Potter, Assistant Manager E. E. Potter General Ins. Agency.
E. G. Potter, Special Agent E. E. Potter General Ins. Agency.
B. L. Penfield, Special Agent New York Underwriters.
Leigh H. Robbins, Special Agent California Ins. Co.
H. W. Randall, Special Agent Christensen & Goodwin Agency.
Geo. W. Swan, Special Agent Commercial Union and Palatine Ins. Cos.
C. A. Swift, Special Agent Fireman's Fund Ins. Co.
A. G. Sanderson, Assistant General Agent Ætna Ins. Co.
Geo. F. Staniford, Special Agent Fire Association.
T. C. Shankland, Independent Adjuster.
J. J. Sheehan, Assistant General Agent Home Ins. Co.
Benton A. Sifford, Special Agent California Ins. Co.
George Ormond Smith, Special Agent Ins. Co. North America.
Percy Tomlinson, Inspector and Adjuster Home Ins. Co.
E. R. Thompson, Special Agent New York Underwriters.
William Wardle, Special Agent Law Union & Rock Ins. Co.

The President - Gentlemen, you have heard read the list of applications. I believe that all these gentlemen are eligible to membership in the Association. What is your pleasure? It is customary under a suspension of the rules to pass upon the matter without further formality.

Mr. Kinne—I move that the rules be so suspended, Mr. President, and that the Secretary cast the ballot of the Association in favor of the election of each of the gentlemen named as members of this Association.

The President—I am sure you will all agree with me that it is very gratifying to have such a proposed addition to our member-

ship. You have heard the motion of Colonel Kinne. Is there a second?

Mr. Palache—I second the motion.

The motion was put and unanimously prevailed.

The President—What does the Secretary report upon the motion?

The Secretary—The ballot is cast, Mr. President, in favor of the election of each of the gentlemen named.

Mr. Kinne—Mr. President, in this connection, it has been customary always that when we find a former worthy member of our Association ineligible to membership as an active member for any reason, that we place his name upon the list of honorary members. It gives me very great pleasure, in accordance with that custom, to now propose for honorary membership in this Association the name of John Scott Wilson.

The Secretary—I second the motion.

The President—Gentlemen, you have heard the motion, duly seconded, that John Scott Wilson be added to the list of honorary members of this Association. What is your pleasure?

The question was called for and the motion passed unanimously.

Mr. Weinman—Mr. President, among the principal members of this Association are several insurance newspaper men. I believe that the only one among us who is not now on our list of honorary members is Mr. W. D. Taffinder, of the Pacific Underwriter, and I wish to place Mr. Taffinder's name for honorary membership in the Association.

The motion was duly seconded, and upon the motion being put, the President declared Mr. Taffinder unanimously elected.

The President—We will next hear the report of the Librarian, Mr. J. P Moore.

LIBRARIAN'S REPORT.

J. P. MOORE.

That you have a library is the best proof that you consider it of value. That you have not made greater use of it, simply shows that you sometimes neglect what you know is valuable.

The average daily attendance for the past year, during the hours in which the library is open for inspection and use, has been four persons. But I do not mean to say that these are all who use the library. Many members of the Association as well as some of the Board of Fire Underwriters, and some from the University of California, come in to use it for study or research during other than the library office hours.

In this latter respect there has been a very marked improvement in the past year.

There are a few students of insurance who have come quite regularly, in fact almost every day, to pursue some one of the many subjects bearing on insurance. It is certainly a hopeful feature when a clerk in an office is willing to cut short his lunch hour, that he may get mental food to strengthen him in his business life, or, to use a term of the trade—to "Sprinkle his brain with a solution of fire insurance information."

The value of the library lies not alone in the number of volumes which it contains, though this is important, but in what it saves you by the service it renders. Neither the University nor the Public Library supplies the demands of the insurance man. What he needs is the highest specialized information on the one subject of insurance. Hence the aim of your library should be to gather, as far as possible, everything bearing on insurance.

I hold that your library especially should have, on its shelves, complete sets of every book, magazine, periodical or paper which is printed or published within the territory embraced by the Board of Fire Underwriters.

This material, when properly classified, arranged and indexed, will make quite a library of itself. You should by all means set about this work at once.

In response to the request of last year that you send to the library all insurance books, papers or magazines not specially or daily needed by you, I have to report that just three offices have done this—the Fireman's Fund, the New Zealand and the Springfield. In addition to this we have received a valuable collection of books from Mr. F. A. Chapuis.

The various insurance institutes and fire insurance societies of our own country and of foreign lands have generously donated their proceedings in exchange for those of our own Association.

You all justly take pride in the growth of our city since the conflagration. As an organization representing the great insurance interest of this entire Coast, it should be reasonably expected that your pride would lead you to rebuild the library, and to make it something to be proud of, second to none, and above all complete for this Coast.

The Library, as it is today, has been arranged and classified as follows:

Works of Law—(including)

Building Laws
Laws of Insurance
Insurance Digests
Law Journals

Works of Reference—(including)

Dictionaries
Directories
Fire Tables
Fire Department and Insurance Reports
Rate Books
Historical and Statistical Matters

Processes and Hazards—(including)

Chemical and Electrical Hazards
Manufacturing Hazards
Insurance Engineering
Cause and Prevention of Fires
Institute Work

Theory and Practice of Fire Insurance—(including)

Field Organization
Fire Protection Devices
Fire Tests

To the above is added—Journals, Magazines, Periodicals and Insurance Papers.

These are indexed under Author, Title and Subject Matter.

You have thus placed at your disposal, as far as at present possible, the material for your special study or demands.

President Eliot in a recent address spoke as follows:

"In earning a livelihood the dominant motive should be the desire to be serviceable and to be well equipped to give and to enjoy giving effective service."

For you as managers, for the local agents, for the special agents, and for your employees, the library is for the equipment to give and to enable you to enjoy giving effective service.

This, and this alone, is its chief value. (Applause.)

The President—It is gratifying to have such a report from our Librarian. The suggestions and recommendations made by him will be referred to the incoming Executive Committee.

The Secretary—I have a report to read that will come under this head, I think, Mr. President.

The President—Yes. There is a report from a committee appointed at the last annual meeting now to be read, and I will ask the Secretary to read it to you.

The Secretary—The report of the committee in question reads as follows:

GENTLEMEN: As Chairman of the Committee on Map Making by Rating Bureaus, I regret to state that the selection of this Committee seems to be an unfortunate one. Our Committee has not been able to get together, and as there seems to be no likelihood of accomplishing its purpose, I recommend that this Committee be discharged and a new one appointed.

Yours respectfully,

R. P. FABJ
JAMES WYPER
ARTHUR M. BROWN

Mr. Palache—Mr. President, I move that the request for a discharge be acted upon, and that the matter be left to the incoming Executive Committee.

The Secretary—I second the motion.

The motion was unanimously carried.

The President—I will ask Vice-President Staniford to take the chair.

Vice-President Frank C. Staniford then assumed the chair.

The Chairman—Gentlemen, we will now listen to the President's address.

PRESIDENT'S ADDRESS.

We meet again after a year of labor in our various stations, a year which I have reason to believe has been generally favorable to the interests we represent, and I rejoice in the opportunity of expressing congratulations to all who have worked for and participated in the good results. I extend to members and guests a most hearty welcome to this our thirty-fourth annual meeting, and under the inspiration of the glad season of an opening year I wish you, both in your personal and business relations, a very Happy New Year.

The purposes of this Association are primarily educational, and the printed records of our proceedings not only constitute an insurance

library of contemporaneous interest, but may be considered standard literature on the subject of fire insurance. Fire insurance is said to be a combination of a business and a profession, and while the practical phases have been exhaustively treated by our members, so the theoretical and scientific sides have received consideration from minds trained on scientific lines. We acknowledge our indebtedness to professors of mathematics, chemistry and physics, to members of the legal profession and others who though not of our guild have generously given us the benefit of their store. Conforming to this idea we hope to present for your attention at this meeting a number of papers by well qualified writers, which will not only interest and instruct the members present, but will embrace features of permanent value.

I am pleased to report that the affairs of our Association are in a prosperous condition not only from the standpoint of finance and membership as reported by the Secretary and Treasurer, but also in the live interest exhibited by members in our affairs.

Library.

The report of the Librarian also gives satisfaction, indicating that the library is increasing in efficiency, and that the members are appreciating and utilizing its wealth to a greater extent than heretofore. While it is to be regretted that non-resident members are unable to avail themselves of its benefits by personal visitation, I am sure our obliging and efficient Librarian will be pleased to give them information through correspondence, which they may at times desire and are unable to obtain elsewhere.

Fire insurance is still in course of evolution. Though the keenest minds have given us the result of years of thoughtful study on the subject, the final word has not yet been spoken, and the present generation will undoubtedly witness many important developments. If we would keep abreast of the times, determined to participate in and be identified with the progressive movement now under way, we must embrace the opportunity for study and research. Our library offers facilities for readily obtaining not only valuable information concerning technical subjects and decisions on issues which are practically settled, but also will give us the best thought on current issues, and an opportunity for investigating the problems confronting our immediate future. I have no hesitation therefore in commending the library to your continued support and interest, with the hope that many more members will seek its treasures.

Insurance Club.

While it is true that the man ambitious to gain the knowledge necessary to obtain and retain a place in the front rank of his profession will overcome all obstacles, there are others who will seek or absorb information, valuable to themselves and others, only when the rough and rocky trail is transformed into the cool and shady path. Our library has been developed with the idea of affording to members the opportunity of research and acquisition along the lines of least resistance. However, the majority of us find it inconvenient to participate in the pleasure and profit to be derived from the perusal of its literature, and even forget the value for reference purposes of its carefully-indexed insurance lore. It has been demonstrated that members, unless impelled by some urgent necessity, cannot take time in the busy hours of the day to visit and utilize the library in its present quarters. Indications are not wanting, however, that such apathy would not exist if the books were housed in a more convenient and comfortable location. With the object of finding a home for the library under the most accessible and attractive conditions there has been revived the idea of an insurance club.

President Weinmann in his address in 1899 advocated the formation of such a club, saying: "The dissemination of insurance knowledge and the establishment of strong friendships would be among its benefits. Nothing promotes and strengthens an organization more than sociability; the social feature would wear away the rough edges of distrust, promote cordial relationship and end in ultimate good. At present we have no place to entertain our visiting brethren other than in a diversity of clubs, having a tendency to scatter rather than bring together our confreres of the insurance world."

I believe that such a club, organized under the auspices of this Association, will be a most valuable adjunct, and by affording frequency of opportunity would assist materially in carrying out some of the objects as stated in our constitution, viz., "the interchange of views, opinions and personal experience, and the discussion of topics of interest to the profession." We would be enabled to maintain the interest of members in the work of the Association during the whole year, and our annual meetings would reflect the advantage by increased enthusiasm and achievement. Our library, without increase of expense, might be installed therein under such favorable conditions that we could all share in its benefits, and we might arrive at the consummation of the desire of this busy age that "he who runs may read." The club could also offer headquarters among congenial surroundings for

the Field Club or other kindred organizations composed of portions of the membership of this Association. The benefits accruing from the social and recreative features of such a club are patent to all and need not be dwelt upon. We would, however, emphasize the advantage and convenience of such a gathering point for the interchange of information regarding losses, adjustments and other phases of our business, and I am sure our non-resident members at this season of the year, or whenever visiting the city, would appreciate such a meeting place for greeting old or making new acquaintances among their fellow members.

The Executive Committee, believing in the desirability of such an organization, appointed a committee of four to outline the scope and objects of the proposed insurance club, and to secure signatures to a tentative agreement to become members thereof. Owing to the pressure of business during the closing period of the year the committee was unable to personally interview many of our members, but found among those approached on the subject an almost unanimous sentiment in its favor. I would, therefore, recommend at this time, when the majority of our membership is assembled in the city, that the committee ascertain if the sentiment expressed by those already interviewed is shared by a sufficient number to make the project feasible, and if so they shall take steps to bring the institution into existence.

Insurance Institute.

At our last meeting the Committee on President's Address recommended that a committee of three be appointed to arrange for a session of the Insurance Institute for 1909. Unfortunately, in the confusion of the closing hour, the committee was not named. The Executive Committee considered the subject, but at the time arrangements should have been made the various offices were extremely busy issuing the new California standard policies. Mr. Folger, who has always taken the most active and sympathetic interest in the affairs of the Institute, and upon whom dependence is always placed for assistance, was unable to respond to the call on account of additional committee and managerial responsibilities. The Executive Committee therefore found it impossible to arrange a syllabus of studies for the Fall of 1909.

While to me personally the necessity of an Institute is not obvious, I recognize a strong sentiment among our membership in favor of its re-inauguration, particularly among those who are willing to share the labor involved, and in deference thereto I recommend that action be

taken at this meeting to definitely determine the attitude of the Association on the question.

According to the Treasurer's report there is a balance to the credit of the Insurance Institute of $125.55, which has been carried forward for some years. Unless the Institute is revived I see no reason why this amount should not be turned into the general fund of the Association.

Associate Members.

For the same period there has appeared in our reports the names of 27 associate members, but no dues have been collected from them, and the roll has been cleared. Under Article 10 of our constitution the benefits accruing to associate members are the privileges of the library and a free copy of the Annual Proceedings. The free access to Institute lectures is an extra concession or privilege not contemplated when associate membership was inaugurated. Whether or not the Institute is re-established, the feature of associate membership is worthy of more attention than it has received in recent years.

Having briefly reviewed our domestic affairs, I have neither the desire nor the purpose to dwell upon the larger questions which affect our business fundamentally. Such a discourse would be supererogation, as facts, figures and arguments will be presented to you by others in their most attractive and most forcible form, compelling your attention to and consideration of the subjects discussed.

Probably one of the most striking features of underwriting history in 1909 has been the publicity and educational propaganda which has been so intelligently and aggressively conducted. With earnestness and enthusiasm, underwriters and their trade journals have bombarded the citadels of public ignorance with unremitting vigor, that entrance may be found for knowledge of the legitimacy of our objects, methods and practices, of our unfair treatment by legislatures and officials, of the duty of reducing the fire waste, of the best method of accomplishing that object, and of the mutual benefits accruing from such accomplishment; and that with the entrance of this knowledge prejudice and antagonism may be expelled.

It seems paradoxical that during the year this strenuous campaign has been most promising of success—another signal feature of the period should be the adoption of an aggravated form of paternalism by several States, and the contemplation of such action by others, whereby rates are to be regulated and revised by commissioners of the State instead of by the insurers who have to pay the losses. This phase of legislative activity is dwelt upon at length in a paper by a prominent underwriter, which will be read at this meeting.

The necessity of an expensive and arduous educational project, explanatory and defensive in its nature, indicates, if not confesses, that there have been errors and sins of omission and commission in the past on the part of insurance companies. Does this new and radical legislation whereby what appears to be our constitutional rights and perhaps our very business existence jeopardized, indicate that the knowledge we have tried to inculcate has not yet permeated the mass, or that our system is still faulty? While the results of these new laws may be problematical and the subject of argument, there is no disguising the fact that they originated in a spirit of hostility; so that, making due allowance for ignorance and misconception, it would appear that there are some conditions still promoting prejudice toward our business.

I am loth to make any remarks which may savor of criticism, and reluctant to depart from the customary form of an address of this kind, but I believe a few moments devoted to introspection will not be unprofitable. The symptoms of the ills which afflict our business are apparent to all, but the causes are less so, as they are deep seated and complex. It may be that some day a physician will arise who will diagnose our case and inform us that our troubles are organic rather than functional, and that our desperate needs require radical treatment. The remedies offered today are apparently carefully-compounded, costly preparations, and are administered with unremitting attention, but apparently they lack some vital ingredient. Perhaps their virtue and effect may be discerned later. We should not be impatient and expect the unpopularity of years' standing to disappear in a day. We are giving publicity and education a fair trial, and I believe they will prove most valuable. However, I think more rapid progress will be made in our propaganda if we assume the position of the normal school or university, and, by concentration of efforts toward enlightenment of and co-operation with fire protection and fire prevention associations, fire and electrical engineers, architects, conservation bureaus, credit associations, etc., create a corps of teachers who can gain a hearing that we fail to receive, and exert an influence that we fail to exercise on the general public. The reason is obvious. The underwriter, with his experience and facilities for observation, undoubtedly is in a position to dispense wholesome counsel, but when he departs from the primary object of his business existence and becomes a public adviser along lines, which however beneficent, run parallel with his own financial interest, his sincerity is questioned and consequently his influence weakened. The testimony of a prominent and

able credit man on the subject of compacts will be more convincing to merchants; the opinion of merchants on the subject of State rate-making will be more effective with a fire commission; the influence of insurance commissioners will be more potent in the matter of tax reduction than any argument, however logical, submitted by insurance men defending their own system.

We should refrain from appearance of hysteria when advocating reforms. Mere reiteration does not always convict or convince, but sometimes creates a state of passive indifference. When we declaim against the enormous unjustifiable waste by fire, aggregating hundreds of millions per annum, let us remember that there are other drains on the resources of our country. The technologic branch of the U. S. Geological Survey tells us the smoke damage in the cities of the United States is over $600,000,000 every year. The National Bureau of Entomology says the loss to farmers by destructive insects is over $700,000,000 annually, but we do not grow unduly excited over the information. Let us have a genuine consideration for and a sympathetic interest in the affairs of our fellow citizens along lines other than those which immediately concern our own business, and the public will not be so chary in giving us credit for unselfish advice in matters pertaining to conservation of property from fire. Undeniably it is our duty to call attention to the unnecessary waste of wealth by fire, and we are justified in appealing to the self-interest of property-owners and others for its reduction; but in all our speech and literature bearing on this issue, let us refrain from any appearance of cant or hypocrisy, and do not hesitate to state that our prime object is the establishment of our business upon safer and more stable lines. Human nature outside of the insurance business is pretty much the same as among ourselves, so while we discuss the superiority of the stone houses of Europe and the low per capita fire loss ratio there, commending these things to the consideration of our fellow citizens, do not forget that many of us build frame dwellings in Berkeley, Alameda or elsewhere, sometimes even without brick chimneys; also some of the business buildings erected by insurance companies are not of the class they recommend to others. There are economic laws and business principles which govern these matters to a large extent, notwithstanding the wise counsel we are prepared to furnish. The day may come when lumber and combustible materials will be eliminated from all buildings and our burning ratio will be as small or smaller than the best cities of Europe, but that day will also see a similar decrease in the wage scale, and may also see our companies

preparing to extend their business to distant countries where this admirable result has not yet been achieved.

We complain to the public of the small amount of profit in our underwriting account, and the public, with no general desire to be uncharitable, refuses to care. They have troubles of their own. Merchants fail as well as insurance companies. The business man can over-trade on his capital and get caught in a period of depression as well as a company can suffer in a conflagration by over-writing in congested districts. Greed for business is not confined to any class or sphere.

We have no quarrel with just supervision and legitimate taxation. What constitutes the former may be the subject of discussion, but it seems an undebatable proposition that any excess of tax collected over the cost of efficient supervision is inequitable. However, when we would have property-owners take an interest in reducing insurance taxes to proper figures they refuse their assistance because they think it would only serve to increase that small percentage of underwriting profit we told them about without reducing their rates. In the complex affairs of modern civilized society, with all their interrelated activities, the prime desideratum is confidence. By publicity we may give enlightenment on all phases of our business, its rights and its wrongs, but confidence can be gained only by our acts.

To my mind the greatest advance in the history of fire insurance has been the inauguration of a system of rating which aims at scientific accuracy. The continuous development of this system affords the strongest bulwark between us and our innumerable troubles. It is the chart and compass to guide us to safety. When that measure of perfection in rating is attained which impresses the observer that our business is not in practice any more than theory, gambling, I look for a decrease of the existing antagonism, and for as fair treatment as any tax collector can expect who charges 40 per cent for collecting and distributing the revenue.

It probably does no harm to speak among ourselves of our "noble profession," "the bulwark of credit," "the handmaiden of commerce," of its philanthropy, benevolence, etc., but I believe we would not lack due respect from outsiders if we merely said we were engaged in a legitimate, honorable and necessary business; and this description might also suffice for the stimulus and inspiration of those engaged in it. Arrogant pretension will always engender prejudice.

While searching your souls, has it ever occurred to you that insurance men as a rule are not particularly prominent in performance of

civic duties? We deplore the machinations of politicians and call upon our attorneys and local agents to save us from our legislators, but are we active enough in doing our share of the work necessary if communities would enjoy proper representative government? I believe the possession of correct ideas regarding the responsibilities of citizenship and positive action based thereon is of as great importance to principal and employee as the possession of the negative virtues in the realm of morals. To the many virtues recommended to you on various occasions as desirable or necessary attributes of a good insurance man, allow me to suggest another qualification—citizenship. I refer to the higher type of citizenship which takes an active and intelligent interest in directing affairs of government, even at the expense of personal ease and comfort.

Again, the public is not edified, nor is its confidence in our sincerity strengthened, by the spectacle of insurance companies engaged in the ruinous practice of rate-cutting, even when done under the provocation of competition from illegitimate sources. The community so favored cannot reconcile such action with the statement that our business is conducted on a precariously small margin of profit. When rates are raised to normal figures the insurers infer that they are paying for what is given away in another section, and so we suffer in reputation. An American company about 1830 issued a sheet of instructions to agents which contained the following:

"It is to be hoped that the agents of the ——— Insurance Company will not descend to the ruinous practice of underbidding other offices to obtain business. There is a point below which if we descend our annual receipts will not equal our losses. So great folly ought to withdraw from us that public confidence which should give us preference over other offices at equal rates of premium. Our premium should not be higher than to yield a fair profit for the hazard we incur of losing our capital by extraordinary fires. Such premiums the public are willing to give, and the confidence we would inspire should be the result of an even and equitable course of conduct toward the insured under all circumstances, especially in case of loss."

These remarks are as appropriate and applicable today as they were 80 years ago.

To but a few present is committed the responsibility of directing the policy and guiding the destiny of companies as executive officers, but upon the rest of us, general agents, special agents and adjusters, also devolve grave responsibilities. We are the persons who come in direct contact with the public, and we represent to them the insurance

company and the insurance business. On our principles and actions largely depends the gain or loss of confidence in our system. While it may not be ours to control the broad and fundamental principles of our profession, undoubtedly we can exert an influence thereon, and we certainly can all shape our own conduct so that through us no reproach may attach to our business, which, undeservedly or not, is already burdened with too much public animosity. With pride we can scan through the Proceedings of this Association and find the prevailing sentiment has been for the elevation of our business toward the highest ethical plane, as well as for its technical development, and through our membership in such an Association we all receive the incalculable benefit of its inspiration and instruction.

Deluded by strong desire and hope, I was fain to believe that during my incumbency as President of this Association the Angel of Death might pass us by, but he was inexorable, and six of our members have been called to join the Great Association, leaving us a cherished memory of their companionship and generous aid.

In closing I will recall the names of those members who have answered the final summons during the past year and have forever departed from our midst.

George C. Boardman, General Agent of the Aetna Insurance Company, elected member of this Association in 1889, died April 24th, 1909. He rests from the labors of a well-spent life crowned with honor and affection.

Chas. O. Scott, Special Agent of the Insurance Company of North America. Elected member in 1893, died May 5th, 1909. Held in high esteem by his friends and associates, with prospects for a bright career, his early demise is a distinct loss to this Association and our profession.

George P. Low, an honorary member, elected in 1892, also died in May, 1909. An electrical engineer of note, he was a frequent contributor to our Association, having written eight papers on electricity and electrical hazards, which are among the best treatises on those subjects in our library.

Paul M. Henry, Special Agent of the North British & Mercantile Insurance Company, elected to membership in 1908, died October 3rd, 1909. A young man of sterling character and marked ability, an ornament to his profession and our Association.

Edwin W. Carpenter, an honorary member, one of the earliest members of the Association, died November 1st, 1909. He filled the office of President in 1883 and upon retirement from active business was elected an honorary member in 1895. Always an enthusiastic friend

and supporter of our organization, of unusual and versatile talent, he contributed freely by voice and pen for our entertainment and instruction. His closing days were clouded by grievous affliction. We trust he has found peace and the light that never grows dim nor fails.

Amos F. Sewell, Special Agent of the New York Underwriters' Agency, a member of our Association since 1892, died December 14th, 1909. A frequent contributor to our Proceedings, a warm and genial friend, of most attractive personality. With the pain of recent bereavement we note his vacant chair and sadly miss the kindly greeting he was wont to bestow.

Appropriate resolutions of respect to these our departed members have been prepared by committees and memorial pages will appear in the printed record of our Proceedings, hence I have but called the roll of "Comrades Gone" without dwelling on their virtues or their services.

While as an Association, as well as individually, we deeply lament this sad depletion of our ranks, let us remember that we are but obeying that great universal law which affects worlds and individuals and which proves that change is not destruction. By pursuit of high ideals, devotion to duty and acceptance of opportunity we may appropriate, utilize and build upon the rich legacy of achievement left by the honored and beloved members who have departed hence; and we may so fulfill the law of our existence by continual progress and attainment in our character and our calling. (Applause.)

President Adam Gilliland here reassumed the chair.

The President—I now have the pleasure of announcing to you a paper, the first on our programme of papers, entitled "Buildings of Reinforced Concrete," by Professor Charles Derleth, Jr., of the University of California, of the Civil Engineering Department. (Applause.)

Prof. Derleth—Gentlemen: This is my first opportunity and privilege to attend one of your annual meetings. I have heard a good deal about them, however, and feel that I am in touch with the important work which you are doing on this Coast. Two of my University colleagues, at different times, have addressed you; Professor Hyde, in 1907, upon a water-supply topic; Professor O'Neill, the same year, on the chemical aspects of combustion. Moreover, your president has been helpful to me by acquainting me with your earlier publications. I feel that I know something

about your Proceedings. But I feel like a college freshman in this University of Fire Insurance.

In presenting to you a paper upon an engineering topic, I have some misgivings. You will pardon the presentation, I know, when I assure you that I am not going to read the article in bulk this morning. To you I leave its complete perusal after these Proceedings are printed.

I was led to the selection of an engineering or structural subject for three reasons. First, being an engineer, naturally, I know less about everything else. Second, I was influenced in my choice because of impressions gained at a meeting held in Berkeley a year ago; a meeting at which some of your members were present, the other participants representing the Technical and Economics Faculties of the University of California. The object of the conference was to inquire what might be done by our technical schools, through cooperation with your Association, to bring more clearly to the attention of young men who are entering the ranks of fire insurance, a knowledge that could be of value to them as students; students studying not merely the practical business problems of fire insurance, but also, enough of allied subjects, like construction, thus to provide and equip them with a broader outlook upon the profession chosen for their life-work.

The third reason why I present this essay on Buildings of Reinforced Concrete is my most important reason. Since the great conflagration of 1906, San Francisco and its vicinity have presented building problems indeed peculiar to our locality. The situation is due to the sudden introduction here of reinforced concrete for city buildings. Almost without warning the reinforced concrete building type has been introduced into a community which before the fire had continuously objected to it. Hosts of strangers appeared who claimed to be experts in architecture and in construction. In particular, they boasted of their expertness in reinforced concrete design. As a result, San Francisco, during the last three years, has witnessed the erection of numerous freak or costly buildings. Structures have been reared by questionable systems and methods, some too weak, others too strong, many too costly. With us, temporarily at least, reinforced concrete, has received a dishonorable name.

Reinforced concrete design is especially peculiar because the type is still in the process of development. It has been much exploited but little systematized. Some of us have acquired meagre experience concerning it. Others misunderstand its fire-resistant qualities. We need a code of specifications to guide us.

BUILDINGS OF REINFORCED CONCRETE.

By Prof. Charles Derleth, Jr. (1)

Introduction.

In the Fall of 1908 a conference, which I attended, was held one evening at the Faculty Club of the University of California. Two groups of gentlemen were present: 1, representatives of the fire insurance interests of the Pacific Coast; 2, members of the technical and economic departments of the University of California.

It was the purpose of the conference to discuss in general the business problems of fire insurance and to point out if possible to what extent an educational institution, particularly a technical school, might aid in increasing the equipment and improving the efficiency of young men,—applicants for admission to the fire insurance profession. It would be out of place for me to give the argument which ensued. That is not the object of my paper. Indeed, it would be impossible in a sufficiently short statement to do justice to the arguments presented. The views expressed by the fire insurance men brought home to me, however, a situation with which I had not been clearly acquainted. You will pardon, therefore, an introduction defining this situation as I was led to understand it, because the principle involved bears upon the subject of building construction as much as it concerns the business of fire underwriting, and thus affords to me a pretext for presenting to you at this gathering a paper on engineering construction.

The Statement.

It was argued that there is a sharp distinction to be made between the work of a fire insurance solicitor, on the one hand, and of the fire insurance actuary, or fire insurance engineer, on the other. It may be that I am misstating the views expressed, but I gathered that in the main the gentlemen who are concerned with getting fire insurance business, the men who daily are dealing with the commercial side of that business, are men not by taste or training concerned with mathematical, economical and engineering principles, though these prin-

1 Professor of Civil Engineering, University of California.

ciples affect and influence the intelligent design of fire resistant, fire protective, and fire preventive building construction. I learned that technical studies do not help the insurance apprentice whose daily routine is flavored with statistical and bookkeeping accounts.

Reply to the Statement.

If this be true, it is hardly to be expected that a technical paper outlining structural requirements for a special type of building will prove of absorbing interest to members of an association interested primarily in the business success of fire insurance. I have perused the reports of your annual meetings for the four years past, 1906 to 1909, inclusive, and note that the papers read are almost wholly on such subjects as "Inspections," "Rating Schedules," "Adjustments," "Conflagration Hazard and Co-Insurance," "Underwriting Conditions," "Special Agents," "Spontaneous Combustion," "On the Writing of Papers," "The Doctrine of Waivers as Relates to the Adjustments of Fire Insurance Claims," etc. It will be noted that, vital as these subjects are to the proper writing of insurance, there is little of a strictly engineering nature in these papers. At the four meetings cited you have had read only two papers which dealt particularly with construction; one by my colleague, Professor Charles Gilman Hyde, on the "Water Supply of Cities;" the other by my friend, Mr. W. J. Miller, an architect and structural engineer of San Francisco, on the subject of "Class A Construction." Both of these papers were read at the January meeting in 1907. I have an idea that the subjects were prompted by our great conflagration of the preceding year. At any rate in the early part of 1907 the subject of high grade municipal construction was of apparent interest to everyone, and people in general were eager to listen to discourses on the requirements and specifications for sane structural design. Unhappily the taste for such discourses appears to be satiated.

Of course, by these remarks it is not my intention to criticise the absence or to deplore the omission of engineering discussions from the deliberations of your annual meetings. It is obvious that the first duty of an association of fire insurance companies of the Pacific Coast, or of any similar body elsewhere, must be to instruct and encourage its members to get business and to write papers that strengthen the company at the same time that they give the individual a safe insurance. Your main object, I take it, is to make the insurance business grow and to set sound rates. However, notwithstanding all these facts, it seems to me, as a layman in insurance, but as a student of engineering, that you must acquaint yourselves more and more with the requirements of construction. It is true that in the larger sense your companies must be guided by the opinions of advising engineers, not

by one, but by different persons representing different branches of engineering. You must have your general advisers on mechanical engineering, electric work, structural design. Nevertheless, much will be gained, I think, the more the insurance men themselves learn to appreciate those elements necessary for the creation of the best construction of different types. You should have a clear picture before you of different grades of building. It is futile to recommend that all buildings be of the best types. The owner of a lot, after all, must erect a building for a cost within his financial means and of such size that he will get a reasonable return on his investment.

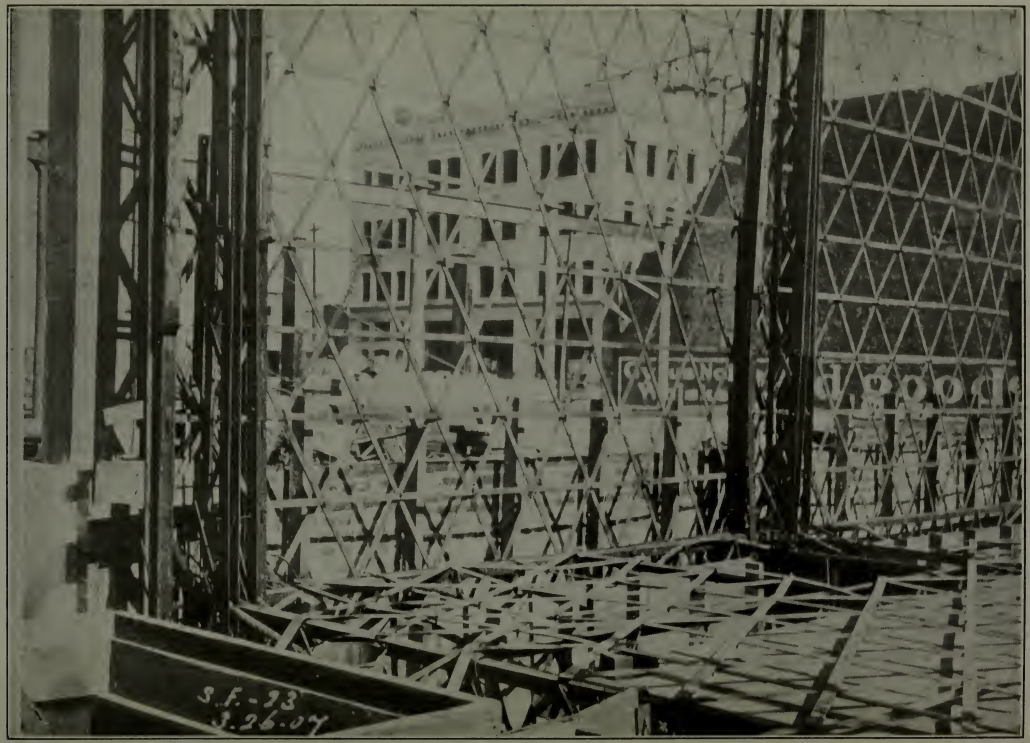
Discussion of the Statement.

I should be glad if these remarks produce a discussion. I should like to know from insurance men more definitely to what extent a general acquaintance with engineering would be of assistance to them in their work. It may be that my opinions are imperfect and that it would be a detriment to the average insurance man to divert a part of his energies to semi-technical questions. I am perfectly aware that this is an age of specialization, but he is a poor specialist who cannot appreciate the needs of those professions which are closely allied to his own work.

You will pardon my long introduction. I offer it partly, as I have said, in an attempt to solicit discussion; but mainly to justify my presentation of a general descriptive picture portraying the present stage of development of reinforced concrete design for city buildings. In what follows I shall give you an elementary account, shorn wherever possible of mathematical and mechanical terms. I offer nothing new or original; my facts are taken, often without special acknowledgment, from standard text books, essays and specifications. For more elaborate accounts the reader is referred to the foot notes and to the bibliography appended to my article.

Classification of Building Types.

Different city ordinances have attempted to classify buildings according to grades of construction. No uniform system has been adopted in this country. In the San Francisco ordinance the scheme used is to be deplored, since to the mind of the layman it seems to indicate degrees of superiority. For instance, men speak of class A and class B buildings with the general notion that whatever is class B is distinctly inferior to class A. The San Francisco ordinance places frame dwellings the lowest in the list, yet I can conceive of a well-built wooden building, properly located with respect to prescribed



(Figure 1)

fire limits, superior to an imperfect structure in which either a steel frame is to be found, or part of which is reinforced concrete. We should recognize in the beginning that all types of construction for financial reasons must be encouraged. It should be our object only to see to it that different types are applied in the most intelligent manner. At your 1907 meeting, Mr. W. J. Miller[2] referred to this subject when he argued that a radical departure be made in the designation of different types of buildings. He says that structures should not be grouped primarily in classes, but according to type.

To emphasize the character of reinforced concrete building I submit the following grouping for different grades of construction:

Type I. Buildings with a cage-like steel frame supporting all floor and wall loads; the combined dead and live load weights carried directly to the foundation by the steel frame; all structural parts of the building built of incombustible materials; all projecting parts structurally anchored to the steel frame. In this type reinforced concrete may be used for floor slabs, partitions, curtain walls and foundation footings. No beams or girders taking computed loads either in the floors or walls should be of reinforced concrete; they should be of structural steel. In heavy footings the reinforcement should consist of rolled I-beam grillages instead of rods; for light footings rod reinforcement should be approved.

Type II. Buildings with reinforced concrete cage construction; all floor and wall loads, dead and live, carried directly to the foundation by the structural frame; all parts of incombustible materials; I refer to floor slabs, curtain walls, partitions, etc.; all projecting parts to be anchored to the frame. In this structure the frame, that is, beams, girders, spandrel wall girders and columns are of reinforced concrete; but in larger buildings heavy members may be of structural or rolled steel encased in concrete. Floor slabs, curtain walls, partitions and footings are of reinforced concrete. Normally every part is of reinforced concrete.

Type III. Buildings with self-supporting masonry walls; walls carrying adjacent floor panels; structural steel or reinforced concrete columns in the interior; floor framing of structural steel or reinforced concrete; all important parts, such as walls, floor slabs, partitions, of incombustible materials. This description is intended to include most of the schemes of building grouped under class B in the 1906 San

[2]Cf. "Class 'A' Construction from the Standpoint of the Architect and Architectural Engineer"; by W. J. Miller; 31st Annual Meeting of the Fire Underwriters' Association of the Pacific Coast; January, 1907; page 111.

Francisco ordinance. That ordinance included all reinforced concrete construction under class B. My classification puts reinforced concrete cage construction into a class by itself (see type No. II). It is an injustice to group reinforced concrete cage frames with buildings having self-supporting walls.

Type IV. Buildings with masonry walls supporting the adjacent floors; interior of floors supported by studded partitions or by wooden or steel girders; combustible materials may be used in all parts except for walls. Cast iron columns may be used in this type. Walls, columns, important floor girders, footings, may be of reinforced concrete.

Type V. Mill construction. Buildings of heavy timber frames and floors with exterior walls and roof of corrugated iron fastened to timber framing and without boarding.

Type VI. Frame buildings. These buildings may be built entirely of combustible materials, except roofs for buildings within certain described fire limits, as specified by the city ordinance.

Wide Possibilities for Reinforced Concrete.

The range of application for reinforced concrete is very wide. It may be used for details in all six building types; for footings in types V and VI; structurally in the first four types for important members taking computed stresses. It may be wholly employed in type II. It finds its most important adaptation in types I and II. It is for these two schemes of building, representing the classes requiring the most developed engineering skill and knowledge, that the greatest care must be taken in designing reinforced concrete parts. My later remarks apply mainly to the art and science of reinforced concrete building for the first two groups.

Economy and Adaptability of Reinforced Concrete.

In their text on Reinforced Concrete, theory and design, Messrs. Buel and Hill[3] give a clear exposition of the economic and practical difficulties: "In directing building work in concrete-steel the engineer has a long list of traditions to overcome. Foremen and masons whose training has been wholly in the use of concrete as a filler over brick arches or trough sections of steel do not readily perceive that a reinforced concrete floor slab is a radically different structure and must be fabricated according to entirely different standards of workmanship. To meet this difficulty the engineer has to arm himself with a

[3]Cf. Reinforced Concrete; by Buel & Hill, second edition, p. 387; pub. by Eng. News, 1906.

rigidly-drawn specification and careful supervision and inspection. The requirements for materials and workmanship in concrete-steel construction and the imperative necessity of enforcing them have been discussed in a preceding chapter. Negligence in these matters is frequently punished by disaster in concrete steel building work."

These remarks apply particularly to San Francisco and some other parts of the Pacific Coast. In California the objection of labor to the new material and methods has been peculiarly pronounced. Lack of respect for new requirements has produced failures, but happily not restricted to our Western community.[4] An impartial study of these failures will convince the reader that the disastrous results were not due to a fault inherent in reinforced concrete design, but entirely to an improper or unintelligent use of the combined materials. It would be easy to review cases of collapse for buildings with structural steel frames, but no one would think of using such citations as arguments to impute dangerous qualities to steel frame construction.[5]

Pertinent remarks for San Francisco conditions are made by Mr. Lewis A. Hicks, a local engineer and contractor. He may be considered intimately acquainted with California building problems; his words are quoted with emphasis.[6] "Before the earthquake, the efforts of those interested in introducing this comparatively new material (reinforced concrete) had been abortive owing to the active resistance of persons interested in the manufacture of clay products, the opposition of the bricklayers' unions, and the general inertia of the building trades to accept changes in long established methods of construction. When the pressure of this conservatism was removed by the conditions following the fire, there was a prompt reaction in the public mind in favor of the indiscriminate use of a material that would furnish greater security against damage by earthquake and fire than the brick construction formerly prevailing, and without entailing the excessive cost of a steel frame. For a time it seemed as if every build-

[4]For instructive examples of collapsed buildings I may cite:
1. The Bixby Hotel Disaster, Long Beach, California; cf. Official Report of Cement Workers' Union; the Architect and Engineer of California for Dec., 1906, vol. VII. Nos. 1 and 2; and Eng. News, Vol. 56, p. 555, Nov. 29, 1906;
2. Failure of Reinforced Concrete Building at Philadelphia; cf. Eng. News, Vol. 58, p. 69, July 18, 1907;
3. Report on Failure of Reinforced Concrete Building of Eastman Kodak Co., Kodak Park, New York; cf. Eng. News, Vol. 57, p. 130, Jan. 31, 1907.

[5]Cf. The Collapse of a Building Under Construction; by H. de B. Parsons, Trans. Am. Soc. C. E., Vol. 53, p. 1, Dec., 1904.

[6]Cf. An article entitled, "Reinforced Concrete Construction"; by Lewis A. Hicks, Mining and Scientific Press, p. 503, April 20, 1907.

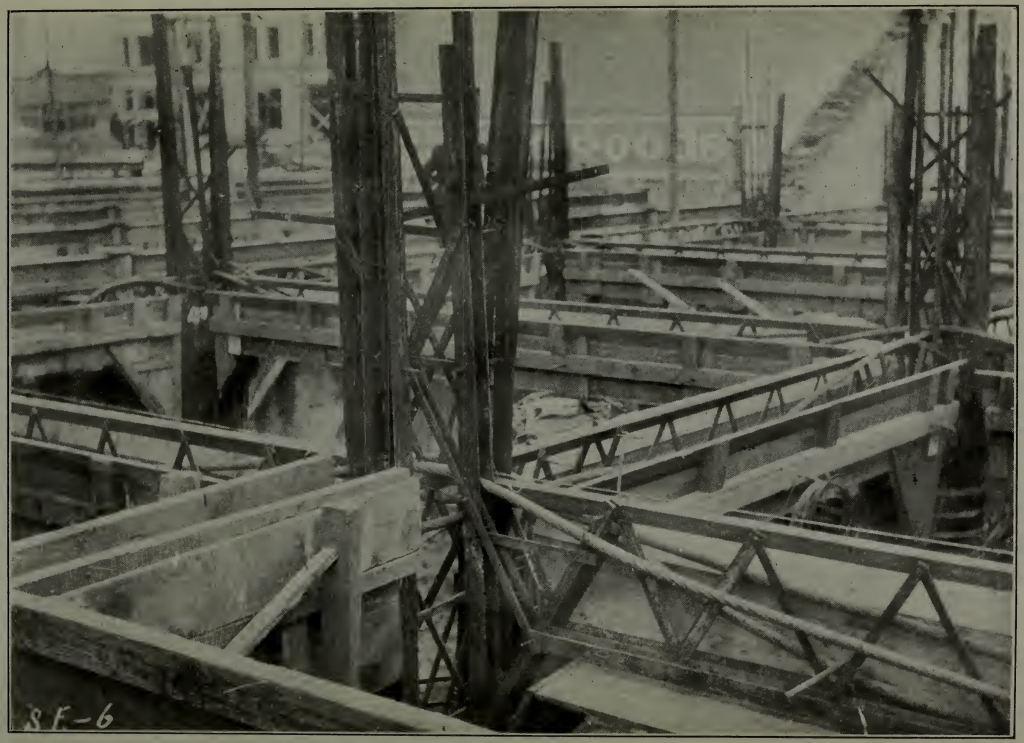
ing put up was to be made of concrete, but a sufficient interval has now elapsed to make it possible to outline broadly the place in building work that it is well adapted to take, as well as such economic limitations as insure the use of other materials for certain purposes."

Mr. Hicks gives a concise statement of his views for building conditions in the business, warehouse and banking districts surrounding lower Market Street. He speaks of the necessary struggle to maintain down-town property values and points out that the character of improvement must be determined largely by the ability of the owners to pay for them. On the one hand, with high lot values and little available funds, the owner selects a low building of brick walls with interior wood construction (see type IV). On the other, with valuable real estate and plenty of money, he selects a steel frame building, type I. To quote Mr. Hicks again: "Between these two extremes there are a large number of people owning valuable street frontage with deep lots who must soon find some commercial use for their property and who desire fairly permanent improvements of moderate height but of class A character." He has in mind the structure which I describe as type II, or possibly also type III, in concrete. "It is among such (people) that reinforced concrete will find its most extended use." Further, he says:

"These requisite conditions are most successfully fulfilled by a building with reinforced concrete frame, floors, roof, and curtain walls, with its front veneered with stone, brick, or terra cotta bonded into concrete backing, and all its structural members fireproofed with a secondary skin of metal furring and plaster, furnishing protected airspaces. Such a building is class A in every detail of construction and in appearance, and in its virtual power to resist fire and earthquake it is, in my opinion, within the limit of height considered, equally as reliable as a steel frame structure.

"The amount of concrete used in fireproofing the columns, beams, floor and roof of a modern steel building is practically sufficient to build the same members in reinforced concrete, and the difference in cost of the two structures will be roughly the difference in the weight of steel used. The elimination of two-thirds to three-quarters of the steel required for a steel frame is entirely practicable, but the saving is not as significant as would appear at first glance. The cost of a finished class A structure will range from four to six times the cost of the steel frame, and the saving effected will therefore amount to from 10 to 15 per cent of the cost of the improvements.

"Where the relation between the value of the ground and the cost



(Figure 2)

of the building is normal, or as one to one, there follows that the saving on the entire investment amounts to from 5 to 7 per cent. It will frequently happen that an owner will prefer to pay this additional cost for the sake of having a type of construction that has been tested to a finality. It is also true that in incompetent hands this apparent saving of 5 per cent may easily shrink to disappearance and that time, apparently in favor of the concrete type, may be wasted to such an extent that the steel frame will gain rather than lose by such a comparison."

Hardly had the San Francisco fire ruins cooled when reinforced concrete experts, self-styled, arose as if from the ashes in every quarter of the city. Results show that at least a number of these gentlemen were grossly incompetent or careless. Their labors have been very harmful to the cause of reinforced concrete construction in California. In the two years following the conflagration a noticeable setback was given to the selection of this type of building; happily at present there are signs of a recovery of confidence. The incompetent or grossly done work immediately after our disaster may be divided into two classes: 1, work structurally safe but of unreasonably high cost; 2, work faulty in design or introducing unique or quack systems.

All structural members of reinforced concrete which take computed stress, or which form essential parts of a building frame, in rational design must be protected by fireproofing envelopes, just as much and to nearly the same extent as structural rolled steel members doing similar duty. Such envelopes must not take computed stresses; they must protect the main members from corrosion or fire, even though they themselves are destroyed by heat or the action of the elements. Proper design whereby sufficient protection is insured by envelopes to main reinforced concrete members would prohibit, in some instances at least, the use of reinforced concrete versus rolled steel. This prohibition would be due to cost or to largeness of cross section, or both. A case in point would be a main column in the lower stories of a high building constructed wholly of reinforced concrete; such columns adequately protected would often be of unsightly and excessive diameters and would cost more than equivalent built-steel columns.

In order to make the cost of reinforced concrete buildings appear favorable to the owner in comparison to steel frame, class A construction, local designers and contractors (especially the contracting engineers for patented systems) have been tempted to propose designs of excessive cheapness. Their results have been secured by: 1, cutting down the thickness of floor slabs and curtain walls and reducing the

amounts of concrete wherever possible; 2, by omitting reinforcement steel where theoretically desirable on the ground that without such steel the building would stand up; for example, metal for reverse bending in columns and over supports of continuous girders, anchorage steel desired for stiffness and continuity of joints; 3, the simplification of forms by omitting knee braces between main girders and columns; by omitting cross girders between columns (as in the Bixby hotel), or spandrel wall beams; and, 4, by neglecting requirements for fireproofing that would be insisted upon by the same designers in the case of alternative steel frame buildings, arguing that the reinforced concrete type of construction needs no special fireproofing envelope. Were some of these desirable conditions reasonably satisfied, the difference in cost between steel frame and reinforced concrete designs would and could not be marked, even where the designers and contractors are experts.

Immediately after the fire many professional men flocked to San Francisco. Some with little experience proclaimed themselves structural engineers. They were unfamiliar with reinforced concrete design and construction; but worse, they were not acquainted with local costs and markets for material, nor did they appreciate our peculiar labor conditions. It is not surprising, therefore, that a large number of reinforced concrete buildings were constructed which cost more than the first estimates. Indeed, some notable structures, recently completed, have cost almost double the originally stated figures. One can hardly understand how otherwise intelligent owners could allow themselves to be misled or duped to this extent.

For example, in one instance, an Eastern architect who combined his designing office with a contracting staff, arranged to design and construct complete a hotel in reinforced concrete, the lump sum to be about $450,000. It was agreed that the work should be done upon a percentage basis, the plausible argument being that the owner was to pay only the actual expenditures for labor and materials, plus a percentage for the architect, to defray the expenses of his office and field establishments. A surprisingly large number of contracts were let in this way, with no visible protection for the owner. The hotel building just cited was completed after great delays. I am informed that more than $750,000 was expended. Beside, who is to pay the owner for loss of rents incident to the prolonged construction?

In another case a building for office purposes planned with steel frame (type I) was studied by a competent engineer and upon his design a reliable contractor offered to erect the building complete for

a lump sum payment of about $120,000. A reinforced concrete expert who combined according to his prospectuses the talents of architect and contractor offered to build the structure in reinforced concrete (type II) for about $94,000 on a percentage basis, as in the hotel case just mentioned. By what seems almost hypnotic influence, the owner agreed to the second proposition with no real security or assurance that the work could be done at the $94,000 figure. Results have shown that the confidence was misplaced. The building in question, when completed, cost nearly $150,000.

I might describe a number of other instances where buildings structurally sound have cost too much money. San Francisco owners have been disgusted by these cases and many of them are loth to try the experiment. Fortunately, a goodly number of first-class, modern type reinforced concrete buildings have been brought to successful completion at moderate prices, and it is to be expected that the attitude of doubt or fear in the minds of prospective builders will be dissipated.

A number of reinforced concrete buildings have been completed in the city with unusual designs. The illustrations (see figures 1 and 2) exhibit fantastic reinforcement. Figure 1 shows the floor and spandrel wall reinforcement made of straps meshed to form equilateral triangles. Old wire cables were introduced to reinforce the light latticed floor girders. The columns consist of a mixture of light rods and bars held together by latticed bands. The designer claims for this building a great advantage, that the reinforcement metal was erected complete for the entire structure before depositing concrete. Indeed, the major part of the steel work was put in place before the concrete forms were built. I do not know the cost of this building, but it certainly represents an eccentric type.

Figures 3 and 4 deserve critical mention; they are views typical of a class of structures which cost large amounts of money. One of the great sources of expense is the unnecessarily large amount of steel reinforcement for columns and heavy girders. It is to be presumed that the designers were anxious to be on the safe side. Figures 3 and 4 give progressive views during the placing of first-floor steel. Note the unusual amount of metal in the columns. The slab, girder, and column metal meeting at column bases is so thick that there is little room left for concrete. A column contains about sixteen rods, each about two inches in diameter. The columns pictured carry only five stories.

Mr. Wm. H. Hall[7] gives a striking description of column design in eighteen different buildings erected in 1907. From his table of figures,

[7]Cf. Reinforced Concrete Practice in San Francisco—Column Design: by W. H. Hall; The Architect and Engineer of California, May, 1907.

his critical comparisons and his sketches, one may note at a glance the great diversity in method, the utter lack of consistency, the wide variation in the proportions of steel to concrete designed to effect substantially like duties. He says: "Viewed broadly, the designing of columns in the reinforced concrete constructions of San Francisco seems to show, in some cases, either ignorance of what is safe, or a determination to save money at the expense of structural safety; in other cases, ignorance of, or a lack of confidence in, what is just right in design, and determination to be on the safe side in the matter of reinforcement strength, at the sacrifice of economy; in still other cases, a weak concession to the desire to keep down sizes of interior columns, and as a consequence, the reduction of concrete and increase of steel to take its place in compression, until the danger point, at the other extreme of conditions, has been approached."

Typical of high-class reinforced concrete work for warehouse construction is a group of buildings built immediately after the fire for the A. Schilling Company, wholesale merchants for tea, coffee, spices and similar products. The Tea Building has self-supporting walls of brick, with the interior columns and floors of reinforced concrete. The structure is subdivided into three compartments per floor by two brick cross or fire walls. The doorways leading through the fire wall are protected by double fire doors, asbestos lined and tin clad. All windows are provided with metal sash and frame, with wire-glass panes. One of the few buildings in the Mission district before the fire which could compare with the above description was the California Electrical Works at Second and Folsom Streets. The interior of the latter building, however, was of timber, heavy mill construction, and therefore inflammable. Buildings like the Schilling Building are now common in the city. Indeed, a large number of the later ones built are true reinforced concrete structures in that their walls are not self-supporting but are carried upon a frame-work. Some of the recent reinforced concrete warehouses have gone up in record time; an excellent example is the warehouse building for the Tillman Bendel Company, designed according to the Kahn System.

Exorbitant amounts of metal in the lower story columns of reinforced concrete buildings is a common fault in a number of the first buildings erected in San Francisco. The buildings to be so criticised are from five to eight stories in height. The designers were anxious to get sufficient strength. It is a fact that in at least one of these structures there was relatively a dearth of continuity steel to take reverse bending moment in the upper sides of beams and girders. To reduce the



(Figure 3)

cost of forms many designers omitted knee brace connections between columns and floor beams. One cannot deny that buildings with these deficiencies may never show signs of weakness; but such practice is to be deplored in a community which has been subjected recently to a severe earthquake shock. To save 3 per cent in the total structural cost of a building vitally important structural features are omitted. It would be better to save the 3 per cent by omitting unnecessary architectural decorations. I might add maliciously that this could have been done with great effect in one building, which has been loudly decorated in glaring tile of all colors of the rainbow.

For the California Market a one-story structure or shed was recently built of reinforced concrete, and is worthy of comment. The building consists of a series of reinforced columns supporting roof trusses of the same materials. The framing is similar to that of a typical steel mill building. The result is a number of sheds paralleling each other. The designer is a man versed in reinforced concrete, whose schooling and experience were obtained in continental Europe. Small framed roof trusses of reinforced concrete are at present not uncommon in France or Germany; but with our California conditions, especially the high price of labor, I think it would have been more appropriate to use light steel trusses. Reinforced concrete cannot be used to fit every situation. I believe this is a case where it would have been better not to have used the material.

Again, designs in reinforced concrete prepared by an engineer not thoroughly conversant with economic construction are very apt to combine features distinctive of a number of the so-called patented systems with an unnecessary complication of parts. It is not surprising to the writer to find that buildings constructed in this patch-quilt manner have cost from 30 per cent to 50 per cent more than equivalent designs prepared according to first principles. A case of a hotel recently came to the writer's attention where the high estimated cost was due mainly to uneconomic proportions for floor panels contemplating 20-foot square slabs, with an unintelligent placing of reinforcement metal, proposing reinforcement in two directions. The original designs were discarded. The revised plans changed the floor proportions, substituted a ribbed floor with thin slabs reinforced in one direction only and reduced the contractor's bid in the ratio of 3 to 2.

Conclusions—Regarding Economy and Adaptability.

Concrete buildings of the most developed type, No. II, in my table, must be considered as worthy of classification with first-class steel-framed structures. They require the same degree of structural talent

in the preparation of specifications and plans and in the field inspection and methods of erection. A building consisting wholly in structural parts of reinforced concrete, however, should not be built for great heights. The San Francisco ordinance wisely limited the heights of such structures to eight stories. I should prefer to limit them to six stories, because I believe above that height the steel frame building is the more logical. For buildings over six stories the columns in the lower floors would become excessively heavy when designed in reinforced concrete. Buildings have been built in San Francisco and Los Angeles where reinforced concrete first-story columns actually cost more than equivalent members of structural steel encased in fireproofing of concrete; because the architect, and in one instance the owner also, approved of the extra cost merely to be able to say that there was no structural steel in the building. Advocates of reinforced concrete, in their zeal to exploit or defend its methods, have argued, unwisely I think, that buildings of greater height than eight stories should be erected in reinforced concrete. That higher structures can be built I readily admit. The McGraw Building, eleven stories, in New York City; the Gloekler Building, ten stories, in Pittsburg; the Ingalls Building, fifteen stories, in Cincinnati, are examples.[8]

Discussing his design of the McGraw Building, Mr. Burr, referring to comments from other engineers, says: "Instances of bad design, worse fabrication and marked unfamiliarity with concrete work have been exhibited to illustrate the difficulties attending the construction of reinforced concrete work and its alleged uncertain character. It is probably fully understood among experienced and well-informed engineers, as has been often stated, that the degree of ability necessary in the design of a reinforced concrete structure, the thoroughness of inspection, and the care in fabrication, are neither less nor more than required in the best quality of structural steel work. In fact, in these respects, it may be reasonably maintained that both classes of construction are in the same category. To cite badly-designed and badly-handled concrete work as an argument against first-class reinforced concrete construction is precisely like citing unscrupulously-designed and badly-built back-country highway bridges of poor steel as a legitimate argument against first-class structural steel work. The proper

[8]The Reinforced Concrete Work of the McGraw Building; by W. H. Burr; Trans. Am. Soc. C. E., Vol. 60, p. 443; June, 1908.

The Ingalls Building; by Messrs. Elzner and Anderson; The Architectural Record, June, 1904. See also The Eng. Record, Vol. 47, p. 540, May 23, 1903.

A Ten Story Reinforced Concrete Building for the Bernard Gloekler Co.; Eng. News, Vol. 58, p. 488, Nov. 7, 1907.

question is, What can be done with competent design and first-class materials and work? not, What defects can be developed by bad material and inefficiency of handling?"

From what precedes I assume that it is amply shown that in type II, reinforced concrete has its full development, and that it has come to stay as a permanent form of construction, despite the fact that it has still to overcome many defects of construction and many prejudices.

It is further to be noted that in types I, III and IV of my list, important parts may be of reinforced concrete; such parts as columns, curtain walls, floor slabs, footings, according to the particular type of building under construction. In the design and erection of these parts the same degree of engineering skill and ability must be employed as in the case of type II.

Consequently in what follows I offer a number of important conditions which should influence the proportions of frames and the details of parts. I outline, in fact, salient features or specifications for reinforced concrete design and construction without undue emphasis on technical phraseology.[9]

Specifications.

The various elements of building construction relating to reinforced concrete design may be grouped under the following heads: 1, floor and roof slabs; 2, beams and girders for roofs or floors; 3, spandrel wall girders; 4, columns; 5, foundation footings; 6, spandrel or curtain walls; 7, partitions and other interior construction. The reinforced arch, culvert, truss and other complex forms do not naturally appear in connection with building construction, and therefore need not be considered. Retaining walls of counterfort types are commonly designed in connection with buildings.

Slabs, Beams and Girders for Floors and Roofs.

Reinforced floor or roof slabs in buildings of type I are supported on structural steel beams and girders. Desirable slab spans range from 6 ft. to 8 ft. Such slabs also occur in type III. In type II floor slabs are supported on reinforced concrete beams and girders instead of on structural steel. For this case I should limit spans from 6 to 8 ft. also; that is to say, I recommend in all types what may be termed

[9]For a comprehensive list of reinforced concrete buildings in course of construction in San Francisco, 1907, consult: "The Rebuilding of San Francisco—Reinforced Concrete Buildings"; by W. H. Hall; The Architect and Engineer of California, Vol. 9, p. 61, July, 1907.

a ribbed roof or floor. The beams and girders in types I, II, III, for economy and architectural conditions, will usually range in span from 12 to 20 ft., rarely 25 ft. as a maximum. I should prefer in general to see the limit of panels 20 ft. square; that is, columns spaced not to exceed 20 ft. In some types of floor design, notably the mushroom system devised by by C. A. P. Turner,[10] the slabs are not ribbed, but are of constant thickness for the complete panel marked by column centers. Other things being equal, I consider this type of floor less stiff than a ribbed floor.

In designing floor slabs of medium or short spans, say, less than 8 ft., the formula for bending moment should be for uniform loads, $M=\frac{pl^2}{12}$ For longer spans the interior slabs of a floor plan should be designed by the same formula, but outer or edge slabs, which are naturally less rigidly held at the wall ends, should be designed for a bending moment, $M=\frac{pl^2}{10}$ In these formulae p = the uniform load in lbs. per sq. ft., l = the span length in ft.; M the bending moment in ft. lbs. In all cases the width of slab under design is 12 in. For conservative design, disregarding lengths of spans, it is customary, for simplicity and uniformity, to use in all cases the formula, $M=\frac{pl^2}{10}$ though, this procedure will give slightly greater strength than necessary and greater cost for the floors.

I do not advocate calculations for slabs assumed supported on all four sides, and doubly reinforced; that is, reinforced with two groups of bars at right angles. For large slabs without beam ribs, double reinforcement is necessary; also in special systems, for example, the mushroom system of Turner, which requires a radial arrangement of bars. In no case should double reinforcement be used for rectangular slabs; such a design is not economic. Where slabs are reinforced in two directions they should be square. The reinforcement should be of equal amount in the two directions. It should be calculated on the assumption that half the load is carried by each system of reinforcement. The concrete is proportioned for only one system or one-half the load, as the compressive stresses in the concrete, due to the two systems, are at right angles to each other, and it may be assumed that the stresses in one direction do not weaken the concrete with respect to the stresses in the other direction. Square slabs are usually designed for uniformly distributed loads, resulting in an equal spacing of rods throughout the slab. More exact analysis for the stresses

[10] Cf. Principles of Reinforced Concrete Construction; by F. E. Turneaure and E. R. Maurer; 2nd ed., 1909; p. 328.

would lead to the conclusion that rods should be spaced closer in the central part of the panel than at the edges. The reinforcement in one direction should be calculated for a bending moment, $M=\frac{pl^2}{20}$ where p is the total load per sq. ft. on the slab.

In floor slabs, to prevent cracks running parallel to the main reinforcement, only one system of bars being used, some longitudinal reinforcement should be provided. For close beam spacing, say 6 ft., longitudinal bars are hardly needed. For wider beam spacing their need is more important. The amount of longitudinal steel is a matter of judgment and experience. The use of ¼ in. to ½ in. bars spaced about 24 in. is common practice, the heavier bars for heavier floors. Of course longitudinal reinforcement is unnecessary in square slabs reinforced in two directions.

Floor slabs should not be less than 3½ in. in total thickness. For ribbed floors, with slab spans about 6 ft., the thickness will usually range from 4 to 5 inches, depending upon the live loads specified. The thinner the floor slabs the more care must be taken in placing the reinforcement steel, particularly the steel over supports for reverse bending moment. In thin slabs lack of precaution in placing steel is a fruitful cause for ultimate sagging of the floor. Not only must the steel be accurately placed, but it must be kept in its intended position during the pouring and setting of the concrete. In slabs reinforcing steel never should be nearer than ½ in. to the concrete surface.

Recently I had occasion to examine carefully the structural parts of a large reinforced concrete warehouse and factory located in San Francisco. The floor slabs are approximately 18 ft. square, supported on four sides, and reinforced in two directions. They are 7 in. thick. The steel in the center of the slab is within ½ in. of the bottom surface of the concrete. But at the supports, though bent upward for reverse bending moment on all four sides, the bars do not reach within 2½ in. of the top surface. This is partly to be explained by the fact that the top dressing of mortar is about 2 in. thick. In almost all cases these slabs have sagged and show considerable cracking. I offer this example to show how easily reinforced concrete design may get into bad repute. The sags and cracks in these floors are a source of inconvenience to the owners of the building. Had the steel been placed more effectively so that at the supporting edges it came within ¾ in. instead of 2½ in. of the top surface, the slabs would have been much stiffer. As it is, the 7 in. slabs are really no stronger or stiffer than 5 in. slabs, and carry an extra weight of top dressing. There is no reason why the top dressing should be more than ¾ in. to 1 in.

in thickness. Further, had these slabs been built of the ribbed type with 4 in. floor slabs supported on reinforced concrete beams, by framing auxiliary beams into the square panels, a much greater stiffness could have been obtained with practically no change in the amount of materials and with little, if any, extra cost.

In slabs, beams and girders the compressive stress in the concrete should not exceed 500 lbs. per sq. in. For main reinforcement steel I should recommend deformed bars of a medium grade of steel with an elastic limit about 40,000 lbs. per sq. in.; percentage of final stretch not less than 22 per cent. I should always recommend that steel for reinforcement pass a bending test; that is, that it be required to bend cold 180 deg. over a bar of its own diameter without showing injury on the outside of the bend. It is a mistake to specify high carbon steel or steel manipulated in the shops to give higher ultimate resistance and elastic limit. Higher values are secured at the expense of ductility and toughness. Where steel must bend to forms, particularly for anchorage purposes, where it must bend to angles of 90 deg. or less, a high-strength steel is more apt to be injured than a medium or soft variety. In columns the steel cannot be stressed more than about fifteen times the allowable stress in the concrete; therefore not more than about 15x600—9000 lbs. per sq. in. Clearly, for columns, there is nothing to be gained by specifying a steel with elastic limit exceeding 40,000 lbs. per sq. in. In slabs, beams and girders the futility of higher strength steel cannot be so clearly stated. Most ordinances specify that the steel in beams and slabs shall be stressed to 16,000 lbs. per sq. inch, or to about that value. One ordinance uses the phrase, "to one-third the elastic limit."[11] This is a careless specification, since it encourages the use of high elastic limit steel.[12] In conservative specifications which limit the working stress to 16,000 lbs. per sq. in. there is nothing to be gained by using a steel stronger than medium grade. It is curious to observe that in a number of recent constructions in San Francisco architects have insisted, without good judgment, upon specifying high elastic limit and have rejected metal which did not give it. The metal was promptly removed by the contractor to his shops, cold twisted, a process which has long been known to increase the ultimate resistance and elastic limit, and as promptly returned to the building and accepted by the architect.

[11]Cf. The Building Law of the City and County of San Francisco, 1906, section 168.

[12]This technical point was one of the real questions at issue, but overlooked by non-technical judges, in the hearing, May, 1909, before the Mayor of San Francisco, re the County Infirmary Building.

This manipulation at the same time decreases the percentage of final stretch and contraction and injures the toughness in bending. The metal has lost desirable qualities of ductility for undesirable, not needed, greater strength.

In most building ordinances it is prescribed that reinforced concrete girders be designed as though they were simply supported. Theoretically, then, no steel would be required over the supports in the concrete at the upper side of the beam. Practically, reinforced concrete construction must be considered continuous over the supports, and if reverse bending moment steel is not provided, cracks will occur. The conservative rule for reverse bending moment steel is to prescribe an equal amount of metal over the supports to that required at the center of a span for bending moments defined in an earlier paragraph.

For heavy beams and girders web reinforcement must be considered. In thin floor slabs, spans not exceeding 6 ft., stirrups are unnecessary. It is sufficient to bend a portion of the bars upward near the quarter points. For beams and girders a number of the main reinforcement rods should be bent up at successive points near the quarter of the span so as to provide diagonal bars through the web at intervals near the abutment. Beside this, diagonal reinforcement stirrups, usually in vertical planes, should be introduced.[13]

It is a common observation to note in San Francisco today the use of reinforced concrete in buildings of types III and IV where the designers have used working stresses in steel and concrete, so high that they are seriously prohibitive from a conservative, safe, point of view. Recently I had occasion to check the structural design for a building already erected for automobile interests, in which stresses in concrete and steel may easily be double the values prescribed by the San Francisco ordinance. These bold departures from usual practice are, of course, due to the desire to decrease the cost of the structure. I have heard engineering contractors boast that they were able to build on Market Street a store and garage building in reinforced concrete cheaper than a first-class mill constructed building of timber. The reason for this is that in the reinforced concrete structure as built, the designers unwisely provided excessively long spans and improperly allowed calculations based on the use of abnormally high and unsafe working stresses. It would be interesting to inquire why we have a building ordinance when nobody necessarily follows its prescriptions.

[13]An excellent discussion of web reinforcement is given in: Principles of Reinforced Concrete Construction; by Turneaure and Maurer, 2nd ed., 1909; Arts. 86-90, 124-126.

Design of Columns.

Six years ago our ideas on the design of reinforced concrete columns were imperfect, not to say hazy. Considère had just published his investigations for the strength and elasticity of hooped columns.[14] It was confidently expected then that hooped columns could be loaded far above plain concrete pillars; that is to say, with stresses approaching 1000 to 1200 lbs. per sq. in. Much difference of opinion still exists as to the proper percentage of longitudinal and hooping steel to be used. Certainly working stresses in the concrete should not exceed 500 lbs. per sq. in. for unhooped columns, or 700 lbs. for those with spiral or banded hoops.

Column longitudinal rods should be tied by horizontal hoops not less than ¼ inch in diameter, spaced not more than 24 inches. The heavier the column the more should the bands increase in size and decrease in spacing. The pitch of spiral hooping should not exceed one-seventh to one-tenth the hoop diameter.

Analysis shows that purely for theoretical economy the use of longitudinal steel in columns is unwarranted. This is an argument in favor of structural steel columns coated with concrete as a fireproofing. But when reinforced concrete columns are to be used they must contain longitudinal steel for practical strength requirements. Where reinforced concrete columns are employed percentages of longitudinal steel should not exceed 5 per cent to 6 per cent of the concrete area enclosed by the hooping. There are in San Francisco buildings whose first story columns contain from 7 per cent to 21 per cent of longitudinal rods; that is, ratio of metal cross section to concrete area within bands. Hooping should never be omitted. Recent tests show that its actual effect in increasing the ultimate carrying capacity of a column is far less than its beneficial effects regarding deformation. The chief object of hooping is to increase the toughness or ductility of concrete columns. Hooping in combination with longitudinal steel increases, so to speak, the elasticity of the column without greatly enlarging its safe carrying capacity. By toughening the member it makes hooped columns much more reliable and much safer and saner parts of a building frame of height and weight. It must be observed that practical efficiency and toughness can only be gained by hooping in combination with longitudinal steel.

In buildings over five stories in height usually it is to be observed that the columns of the first floor have large percentages of longi-

[14] Cf. Experimental Researches on Reinforced Concrete; by A. Considere; translated from the French by L. S. Moisseiff; 1903.

tudinal steel. This is caused by the necessity of keeping diameters of columns small so as not to obstruct the floor space unduly. There are numerous examples of buildings, erected in San Francisco immediately after the fire, in which excessive amounts of longitudinal steel have been used; indeed, sufficient amounts almost to build the columns of structural or rolled steel members.

Too little attention has been paid in design to the effect of eccentric loads on columns, particularly for columns which support floor slabs and girders which are themselves symmetrical. It is entirely possible that floor panels tributary to a column will be unequally loaded. In warehouses the inequality of live loading may be great; for instance, the panel on one side may be fully loaded while that on the other carries no live load at all. Such conditions will throw bending moments upon the columns and also upon the floor girders. In a high building of small plan dimensions in one direction the effect of wind or other lateral forces may impose upon the floor girders and columns still larger bending stresses akin to those produced by eccentricity of floor loading. In some columns and girders eccentric loading of necessity occurs, even for the dead weight; for example, where projecting balconies and cornices are supported by wall columns. In arranging the reinforcement steel for columns and girders in these cases intelligent application of mechanical principles for design must be observed, particularly in regard to so-called reverse bending moment metal.

Bond of Concrete to Steel.

Bond stresses should be considered especially in connection with the overlapping of main reinforcement bars for beams and columns. Tests show that the ultimate bond strength between plain steel bars and concrete ranges from 200-250 lbs. per sq. in. of surface of contact. A working bond stress of 75 lbs. per sq. in. is a usual specification. For approved forms of deformed bars, bars which provide a positive grip when imbedded in concrete, a safe working bond stress of 150 lbs. per sq. in. may be assigned. A plain round bar to develop its full strength and insure safe bond working stresses should be imbedded in concrete for a length not less than 62½ diameters; a deformed bar not less than about 25 diameters. These figures indicate to what extent bars should overlap so that they may transmit safely their full working stress. For anchor bars in addition to the bond capacity it is well to secure additional safety by bending the bars; or where short anchorage distances only can be secured, lugs may be bolted or screwed to the bars.

Concrete Shear.

The average ultimate shearing strength of concrete, as observed in beams having no web reinforcement, may be taken at about 100 lbs. per sq. in., calculated for the whole cross section. It is best not to assign a working shear stress in plain concrete of more than 30 lbs. per sq. in. Where the webs of beams are properly reinforced with inclined bars and stirrups the allowable working shearing stress may be taken as high as 100 lbs. per sq. in. The calculation for web reinforcement is not a simple matter, as it is based in theory upon somewhat difficult analysis. An excellent exposition for the calculation of web reinforcement is given in Turneaure and Maurer's Principles of Reinforced Concrete Construction, second edition, pp. 219-227.

In heavy work designs often may be criticised for crowding steel bars too close together. The most common cases are the tension flange of long slender girders and first-story columns in high buildings. When bars are massed they reduce the monolithic action of the concrete, a very unfortunate effect. The larger the stone used for concrete the larger should be the minimum clear spacing of rods. The clear spacing of reinforcing bars should never be less than one inch when using ¾-inch stone, nor 1½ inch when using 1-inch stone.

Forms for Concrete Members.

The practical success of reinforced concrete work depends as much upon the intelligent design of forms as upon any other factor. The forms must be simple, easily removable, and so far as possible should be used more than once. In buildings of many stories this remark applies particularly to the forms for floors and columns. Roughly, the cost of forms may be placed at 30 to 40 per cent of the total cost of concrete in place. Buel and Hill, page 388, give instructive prices and conclude as follows: "Experience on about thirty buildings shows that it is rarely possible to furnish the centering and remove it for much less than $4.00 per cubic yard, and that only by very bad management or under unfavorable circumstances can the cost exceed $6.00 per cubic yard."

Forms must be designed of sufficient strength and rigidity to support the concrete and any other loads that may be put upon them, for at least thirty days after placing the concrete. Forms must be so arranged that they are readily accessible for inspection. They must not warp or bulge, due to moisture or from the lateral pressure of fluid concrete. They must be water tight so that the concrete will not lose water needed for crystallization or any of the finer cement fluid

upon which the final strength of the hardened mixture depends. Forms must be laid to line and grade; they require expert carpenter work and careful inspection from the foreman and engineer. Forms must be cleaned of rubbish before pouring concrete. The surface of lumber must fit the requirements of finish; the finish desired also affects the specification for oiling forms. Forms should not be removed from the under side of floor or roof slabs in less than two weeks, and preferably should remain for still longer periods. The shores under beams and girders should be removed later than the forms for the adjacent slabs. Column forms ought always to be removed and the concrete strength of columns inspected before the supports are taken from beams and girders. Forms should remain longer in place in winter than in summer. Important reinforced concrete members should not be poured in freezing weather. Whenever practicable forms should be so built that edges of beams, girders and columns will be chamfered. Sharp, re-entrant angles in concrete are sources of weakness and defects. The sides of beams and girders should be slightly splayed, say 1 in 8 or 10; thus forms may be removed more readily. In placing important reinforcement rods upon forms it is good practice to use special devices of metal, or notched blocks molded of cement mortar, to insure the exact position and spacing of bars.[15]

Surface Finish.

The strongest argument against all-concrete buildings is the unsatisfactory finish and color of concrete masonry. We are only beginning to understand how to treat concrete surfaces. We have a great deal to learn before concrete buildings will give a pleasing architectural effect. To me our concrete fronts are dull and uninteresting. They cannot be compared with brick, terra cotta and natural stone elevations. Where coloring has been attempted I consider the results a dismal failure. The best treatment, in my judgment, has been achieved for buildings in which the natural concrete texture and color have been preserved.

Waterproofing of Concrete.

Waterproofing of concrete is another important consideration. There are three classes of treatments; first, that obtained by mixing a compound consisting of an impalpable material with the cement—alum, finely divided clay and soap solutions have been used with considerable success; second, that obtained by covering the concrete with a

[15]Forms for Concrete Construction, by S. E. Thompson; paper read before Assn. of Cement Users, 1907; see also Scientific American Supplement, April 27, 1907.

coat of asphalt, and third, that obtained by laying impregnated paper or felt against the concrete surface. To these may be added the partial waterproofing which results when curtain walls, for example, are painted on the outside with a rich liquid cement mortar.

The subjects of concrete finish and concrete waterproofing for the past five years have commanded much of the attention of architects and engineers. Recently papers on these topics have been read at the annual meetings or before the conventions of a number of national societies to whom the problem of reinforced concrete building is naturally of absorbing interest.[16]

Expansion Joints.

Expansion joints are hardly required for building work, but to prevent unsightly cracks from changes of temperature or from contraction of concrete through setting, light metal reinforcement should be provided, running both ways, usually at 24-inch centers, over the face of plane surfaces of large area, even when no rods are needed to withstand shearing or tensile stresses due to dead or live loadings. In general, the size and spacing of cracks may be assumed to vary inversely with the bond strength of the reinforcing steel per unit of concrete section. The prevention of large cracks by means of reinforcement is a matter of using sufficient steel to force the concrete to crack at small intervals. In conservative practice about ½ per cent of steel is used and gives satisfactory results. In order to distribute the deformation as much as possible, a mechanical bond bar is advantageously selected.

Concrete Mixtures.

In the scope of this paper it is not necessary for me to consider in detail the proportioning, mixing and placing of concrete, or to outline completely specifications for suitable cement, sand and broken

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[16]For further consideration I refer the readers to: Making Concrete Waterproof, by I. O. Baker, Eng. News, Vol. 62, p. 390, Oct. 7, 1909; Discussion on Impervious Concrete; Trans. Am. Soc. C. E., Vol. 51, p. 114, 1903; The Permeability of Concrete and Methods of Waterproofing; by R. H. Gaines, Eng. News, Vol. 58, p. 344, Sept. 26, 1907; A Surface Finish for Concrete, by H. H. Quimby, Cement Age, Nov., 1906; The Treatment of Concrete Surfaces, by L. White, paper read before Association of Cement Users, 1907, see also Eng. News, Jan. 17, 1907; The Artistic Treatment of Concrete, by A. O. Elzner, Eng. Record, Jan. 12, 1907; The Finish of Concrete Surfaces, by M. C. Tuttle, Boston Society of C. E., also see Eng. Record, Dec. 28, 1907; The Treatment of Concrete Surfaces, by E. B. Green, National Assn. of Cement Users; see also Eng. Record, Feb. 22, 1908.

stone or gravel.[17] Concrete preferably should be mixed by machine. If mixed by hand it should be spread upon a water-tight wood platform. It should be placed in position immediately after mixing and before initial set has taken place. Concrete for reinforced building floors, columns and walls never should be retempered. Concrete requiring retempering invariably must be condemned. Mixing and placing of concrete, so far as practicable, should be a continuous operation. When work must stop over night or discontinue for other causes, special care must be observed in bonding new to older material. Concrete should be poured as a wet mixture and cannot be too thoroughly stirred and agitated in the forms to insure a dense, uniform product, filling the forms and surrounding the reinforcement completely; thus avoiding air spaces and honey-comb effects. Fresh concrete must be kept wet for at least one week after depositing; it must be protected from the rays of the sun, and in hot summer weather should be dampened by sprinkling.

Only the best brands of Portland cement should be used. The contractor should be required always to furnish cement subject to approval or rejection by the architect or engineer, who should submit the cement to standard tests, such as are prescribed by the Committee on Uniform Tests of the American Society of Civil Engineers. Sand should be clean, hard, sharp, coarse and free from clay, loam, sticks, organic matter and other impurities. Screenings or crusher dust from broken stone, in which term is included all particles passing a ¼-inch screen, may, by slightly altering the proportions of the ingredients, be substituted for the whole or a portion of the sand in such proportions as to give a dense mixture and the same relative volumes of total aggregates. Gravel, when used, should be composed of clean pebbles, free from foreign matter, without excessively smooth surfaces. The broken stone should consist of homogeneous pieces of hard or durable rock, such as trap, granite or conglomerate. For floor slabs in buildings, limestone should be avoided whenever possible. In a fire it tends to pop or split and may injure a floor slab when trap would not. I should object in general to the use of slag or cinder for structural concrete. Foundation concrete may contain stone of major dimensions 2½ inches, one cement to about eight aggregate; approximately 1 cement, 3 sand, 5 stone. Concrete to resist water pressure, such as in basement floors and area walls, should have stone not exceeding

[17]The Laws of Proportioning Concrete; by W. B. Fuller and S. E. Thompson; Trans. Am. Soc. C. E., Vol. 59, p. 67, Dec., 1907.
On the Theory of Concrete; by G. W. Rafter; Trans. Am. Soc. C. E., Vol. 42, p. 104, Dec. 1899.

2 inches, one cement to six of aggregates; approximately 1-2-4. Plain wall concrete should have 2 inch stone, one cement to seven and one-half of aggregate; approximately 1-2½-5. Reinforced concrete for slabs, beams, girders, curtain walls, and columns should have stone never exceeding 1 in.; for thin slabs and walls with much metal preferably not exceeding ¾ in.; one of cement to six of aggregate, approximately 1-2-4. In general the mixture of cement, sand and stone should be so proportioned that for the particular size and fitness of sand and stone the resulting concrete will be dense; that is, the voids should be filled as far as practicable. Any experienced concrete engineer can determine by simple methods the exact scientific proportions of the three ingredients. In general for slender work and complex reinforcement rods the mixture should be richer and the stone smaller as the slenderness of mass and complexity of metal parts increase.

Economic Proportions of Steel and Concrete.

The least costly beams and girders do not result from design calculations using the highest permissible working stresses in steel. If the allowable compressive stresses in the concrete be fixed at 400 to 500 lbs. per sq. in., then the economic working stress in the steel will follow, given the relative costs of steel and concrete per unit of volume. For normal prices, a working steel stress ranging from 11,000 to 14,000 lbs. per sq. in. is found economic. A prescribed working stress of 12,000 lbs. for average computations is reasonable. Unfortunately architectural requirements, such as clearances and decoration, so generally affect the proportions of the beam or girder in width and depth, that strict economy in the proportions of concrete and steel cannot be observed.

Members with Reinforcement Composed of Structural Shapes.

Columns with large amounts of reinforcement have been designed, notably in the case of the McGraw Building, New York City. In that building a structural column unit consisting of four laced angles was used. These units enclose a concrete mass binding it like hooping, and are themselves encased in a fireproofing of concrete. The structural steel units were designed to be themselves capable of acting as columns to carry dead load of the structure. It is clear that, as a general principle, such a scheme might be employed to carry on the steel frame at least the false work and dead load of two or more floors, thus enabling the placing of concrete to proceed simultaneously on several floors. In such a design some of the initial dead load stress

would be applied to the steel of the columns before much of the concrete is placed, thus giving to the metal at an early stage some elastic strain, enabling it thereby later to carry greater stresses than determined by the ratio of coefficients of elasticity of steel to concrete. This would seem to be a source of economy, but it must be noted that structural steel members riveted together by lacing costs more than plain rods with wire hooping. Moreover, the initial dead load erection stress must always be uncertain. It would seem, too, that where angles or other rolled shapes are used, offering broad plane surfaces of contact, the adhesion of the concrete to steel would not be so good as for deformed bars. With such large percentages of structural steel the bond to the concrete is not readily secured. There are apt to be planes of division or cleavage detracting from the monolithic character which should be insisted upon in reinforced concrete design.

Columns with rolled steel reinforcement have been criticised severely by some engineers and approved by others. The subject is in its infancy. The ideas involved might readily be applied also to the design of main girders and beams. Indeed, so-called unit frames of various types have been proposed, particularly for reinforced concrete beams. It is entirely feasible at present to erect a steel frame work capable of carrying its own load, false work and erecting machinery, later to be clothed in concrete. I remember that one building was so constructed in San Francisco, namely, the Owl drug store's building on Mission Street. There appear to be some advantages in such a system. It insures the definite placing of the reinforcement metal and enables a designer to know that the exact connections will be made which he provided, thus securing strength at the joints of the structure. Moreover, more definite continuity in columns and between columns and girders would result without relying too much upon the intelligence and integrity of the field foreman. I question, however, whether a system of this character will ever become fashionable. With its structural merits it has the attendant defect of increasing costs. At any rate, in the present state of reinforced concrete construction it may be applied sucessfully to single units such as columns and beams, but not to the whole structure as one articulated metal cage.

Fire Resisting Qualities of Reinforced Concrete.

There are certain qualities of reinforced concrete construction which must appeal to fire insurance men. All evidence to date justifies us in concluding that the steel, where properly imbedded in the concrete,

will be protected from corrosion. It is admitted that concrete, with the possible exception of brick, gives a most satisfactory fire protection. Laboratory fire tests and experiences from the conflagrations of Baltimore and San Francisco indicate that from 2 in. to 3 in. of concrete will offer practically a complete protection to steel. From personal observation in San Francisco it is my opinion that properly designed reinforced concrete members like columns and beams will safely resist any ordinary fire; provided the members have their metal sufficiently coated with concrete. In order to cut down the expense of reinforced concrete buildings in comparison to buildings with structural steel frames it has been too much the custom to decrease costs by eliminating concrete, which would be specified eagerly as a protecting surface to the structural steel members of an alternative building. It is further my observation in examining reinforced concrete buildings constructed in San Francisco during the last three years that their secondary parts are composed too commonly of combustible materials. It is a great mistake to spend much money on a reinforced concrete frame and then finish the floors, partitions and casings chiefly of wood. Partitions, particularly, have been the great offenders in this respect. What would otherwise be an ordinary fire would become severely destructive where a large part of the trim of the building in close contact with the structural concrete is highly combustible. It should be remembered that a well-built reinforced concrete frame will cost money to take down when once too severely injured by a fire. This element of cost in razing a fire loss ought to be considered. In the case of factories and warehouses the more inflammable the contents to be stored, the less should be the inflammable fixtures of the building, the thicker also the concrete fire protection. My argument in this respect is much akin to remarks which might have been made concerning first-class class B buildings which were destroyed in 1906 in San Francisco. I refer to structures with self-supporting outer walls and independent interior frames partially of rolled steel and cast iron with much wood for secondary parts. One of the most costly examples was the Emporium Building; a less notable instance the Cowell Building. To be sure, both structures were subjected to most intense heat, due to the nature of their stored contents, aside from the inflammable fixtures of the structures themselves. The ruins of such buildings after great fires always offers great hindrance to rapid reconstruction. A great conflagration destroys them completely so far as repairs are concerned, but leaves the remains of twisted steel members and cracked masonry in a sufficiently stiff and tangled mass to make it

necessary to expend large sums of money and to consume much time in disposing of the wreck.

Municipal Building Ordinances Versus Building Inspection.

While my chief object has been to discuss reinforced concrete, you will pardon me if I refer to some matters affecting not merely reinforced concrete building construction but the construction of buildings in general in a city like San Francisco.

Immediately after the fire the building ordinance was revised; as well it might be. The old ordinance, though it was spoken of as a building law, was really composed of many different and sometimes conflicting enactments of the Board of Supervisors made at different times during the last ten years. Of course it was full of contradictory clauses and open to the criticism that it was indefinite and of poor arrangement. While the present building law may be criticised also, it is a vast improvement upon the old ordinance. An ordinance naturally cannot be perfect. No such instrument ever was or could be. Ours has many defects and contains a number of articles that should be changed as soon as possible. Any one remembering the circumstances and pressure, however, under which the new ordinance was arranged will have considerable respect for the authors of the law, for it is based on sound practice and good scientific judgment. It is gratifying to note that for some time past a revision of the building law has been under contemplation. While we will be anxious to use the revised ordinance, it is to be deplored that it may have little practical effect; for one of the most unfortunate conditions affecting building in San Francisco is the lack of sufficient inspection on the part of the building department. Earlier in my remarks I have given examples of actual buildings built since 1907 in which the law has been grossly disobeyed; that is, its structural prescriptions. The law may be conservative and, if rigorously enforced, would considerably increase the structural cost of a building. But such an argument cannot justify the acceptance of designs going to the other extreme of reckless economy, leading to the erection of buildings of questionable stiffness, if not of certain weakness. It is the details of San Francisco buildings which are inspected and not their larger requirements for strength. It is more likely that an owner is obliged to place a petty fire escape in accordance with the letter of the ordinance than that he is restrained from erecting a frame so slender that reinforced beams are stressed to 1200 lbs. per sq. in. in the concrete.

It would not be just to make these strictures upon the building department and its inspecting force without at the same time observing

that they are hardly to blame. At present the city does not provide an adequate force. We cannot expect the limited force to give due attention to all matters which our building ordinance proposes shall be considered in connection with the erection of buildings. The staff as now constituted is more capable to examine plumbing and electric fixtures than to check the stress sheets for the frame-work or foundations. What we need is emphasis on inspection and not on a building ordinance. A building ordinance should not be looked upon as a text book or as a hand book whose purpose is to instruct a greenhorn in engineering or architecture. A building law cannot and never should be a specification. It ought to be as terse and to the point as possible without treating details, and have for its object the protection of the city and the general public against persons who want to build too poorly. The building ordinance should provide definite penalties if its clauses are broken. While an ordinance in part partakes of the nature of a specification, it should only do so as far as it is necessary to elucidate some of its provisions. As a law the ordinance tells what shall be done, and in order that its provisions may be enforced, it in some cases tells how the work shall be done. It is a function of a specification to tell how to do a thing. The sole and vital reason for the existence of a building ordinance, however, is merely to tell what to do. What is needed in San Francisco is not so much a newly revised ordinance with greater detail of specifications, but rather the present ordinance with a few modifications and, if possible, greater brevity, coupled with an efficient building department commanding the services of properly trained inspectors. I should be glad to see more recognition in our building law of those clauses relating to fire hazard, fire protection and prevention which are outlined in the building code recommended by the National Board of Fire Underwriters.

Fire Testing Stations.

Immediately after our fire it was the desire of some members of the building community to establish a fire testing station in San Francisco. The scheme had the earnest support of many architects, engineers, contractors, and manufacturers of building materials. Representatives of the city fire department and municipal government were interested. The laboratories of the universities were ready to co-operate. It was found that a fire testing station means an expensive establishment and that it costs money to run one on an efficient and practical scale. It was argued by some who visited us at that time from the East that we had no need for a fire testing station; that it was useless

to duplicate results. We were told that we might as well save our money and benefit by Eastern experiments. It is true that we have learned much from the fire testing station conducted at Columbia University in co-operation with the building department of the city of New York. We can benefit by perusing the reports of W. C. Robinson, Chief Engineer of the Underwriters' Laboratories at Chicago. Reports from the Insurance Engineering Experiment Station at Boston and from the special Testing of Materials Laboratories of the U. S. Geological Survey, at St. Louis, are always instructive. It may be that it would be a mistake for us to establish a fire testing station on the Pacific Coast. But I am not convinced that this is the case. California is separated by mountains and deserts from the Mississippi Valley almost as though an ocean intervened. We have our distinct local problems. Beside, and what is more to the point, it is worth something to us to make a few tests of our own. There is a distinct element of value in having been present at and concerned with, or having been an eye-witness to special fire tests of materials used in or furnished by the local market.

Conclusions.

In my opening remarks I referred to a possible salutary relation existing between fire insurance underwriting and principles of engineering design as factors of knowledge worth while to an insurance man. I have concluded with reference to the status of the San Francisco building ordinance and the worth of a fire testing station. Between these digressions I have attempted to give you what I thought might be a suggestive description of the present art of building in reinforced concrete. I have attempted to indicate that almost no type of future construction will be entirely free of parts in reinforced concrete. I have reminded you that for the highest types of building reinforced concrete is used for most essential parts and may be used to the entire exclusion of other forms of construction. I have outlined the important specifications for safe stresses, for economic proportions of parts of the frame, and for the distribution of concrete and metal. One of my main objects was to explain that whenever used, reinforced concrete design requires a high degree of engineering talent. While I do not advocate its use for high buildings, I trust I have made clear that it can be recommended unconditionally for heavy construction such as warehouses or for low buildings such as schools and hospitals. It has effective fire resisting qualities. We have heard so much about earthquakes that I hesitate to use the term, but I must

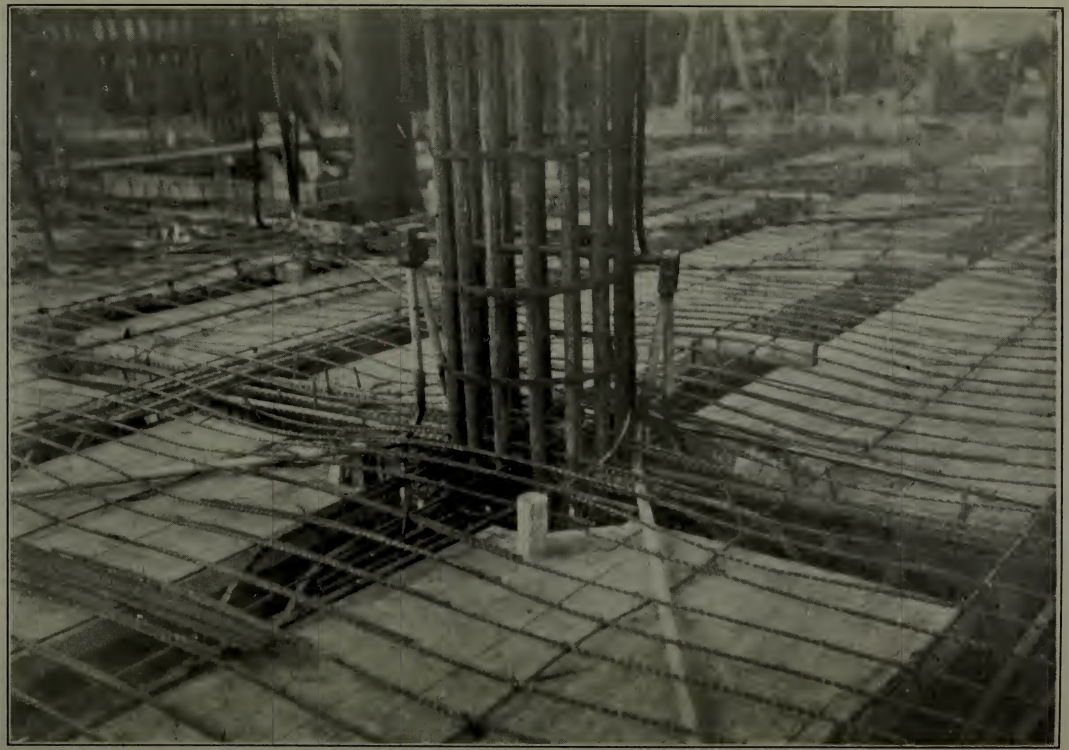
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observe that reinforced concrete lends itself most readily to sensible earthquake construction.

In short, for buildings, reinforced concrete is a most valuable material. We have much yet to learn, but always we will have to be masters of engineering arts to use the combination of steel and concrete intelligently. It is no wonder, therefore that some structures have been failures. It is rather to be wondered that so few structures have collapsed. Where a new type of building has been suddenly introduced, we should rather be surprised if we could not recall cases where owners have learned from bitter experience that they might have built more cheaply with structural steel. Nevertheless, summing up all arguments, for and against, I believe I could not be considered partisan to reinforced concrete in recommending it generously to the attention of the building community and particularly to gentlemen interested in fire insurance. (Applause.)

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(Figure 4)

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The President—Gentlemen, we are certainly indebted to Professor Derleth for his very interesting article. I have no doubt

that when it is published, it will be very valuable, and I think we ought to give some expression of our appreciation before he leaves the room.

Mr. A. W. Thornton—I move that a vote of thanks be tendered to the gentleman for the able article he has prepared for us, which I am sure we will all enjoy very much when we have an opportunity to examine it carefully.

The motion was duly seconded and unanimously carried.

The President—You have heard, Professor Derleth, the expression of the thanks of the Association.

We will now take a recess until this afternoon at 2 o'clock.



AFTERNOON SESSION.

The afternoon session opened at 2 o'clock P. M. with President Adam Gilliland in the chair.

Mr. Gunn—Mr. President, in the general admiration felt for the President's address this morning, we overlooked the fact that, in accordance with our custom, it should have been referred to a committee. I move now that the President's address be referred to a committee of three, and also that the committee be the same committee as that to which the report of the Executive Committee was by vote ordered referred.

The Secretary—I second the motion.

The President—You have heard the motion. What is your pleasure, gentlemen?

The question was called for and the motion put and unanimously carried.

The President—I will appoint as the committee to whom are referred, in accordance with the vote of the Association, the report of the Executive Committee and the President's address, Messrs. Louis Weinmann, R. W. Osborn and Herbert Folger.

The first paper on our programme for the afternoon, gentlemen, is entitled "Collections," and is by Mr. H. P. Blanchard. Gentlemen, Mr. Blanchard. (Applause.)

COLLECTIONS.

By H. P. Blanchard.

In all kinds or classes of business there exist certain underlying or basic principles, upon the proper application of which success depends to a greater or less degree. In a business involving buying and selling, the consideration passing between buyer and seller being money, it must be accepted as an axiom that the nearer the business is conducted on a strictly cash basis the stronger, financially, will be the

seller and the greater will be his success. Following this, and naturally being a result therefrom, the buyer from such a seller will reap benefits by reason of better or more liberal terms which the seller is enabled to grant him.

Applying these principles to our business—the selling of insurance against losses by fire and from other causes—we are brought to a consideration of the important question of the cash or credit system for the payment to us of the price of that which we are engaged in selling; in other words, the question of the "Collection of Premiums."

The general rule followed on the Pacific Coast, concerning the payment of premiums and remittance of same to the companies, reads as follows:

"The premium on every policy issued shall be due and payable on the date on which it takes effect and must be remitted by the agent not later than the 15th day of the second month following that in which the policy takes effect."

This rule is an excellent one and has undoubtedly proven a prominent and valuable "stand-by" among the many regulations of our Pacific Coast methods of underwriting, and in practical results the most beneficial and satisfactory. If it is a panacea which overcomes so many of our ills, let us, then, rally to its standard and support it without reserve—rather than scheme to devise or permit subterfuges which will sooner or later be revealed, and not only react to the discredit of the offending company in the eyes of the agent, but mitigate against its standing with reputable companies acting under the above rule.

This view of the matter bears upon the moral obligation of a company which was a party to the adoption of this rule, to adhere to, uphold and enforce it; but, in addition to this, there is the practical or business side of the proposition involved. The rule itself is really an enunciation of the common understanding of the insuring public, that a contract of insurance means cash on delivery.

In their efforts to procure business, companies vie with one another by prompt and equitable settlements of losses, frequently making payment on the ground where losses are shown to be fair, the contract period of 60 days not being taken advantage of in such cases. Why seek to offer a further inducement in the effort to obtain business by extending time for the payment of premiums, when such offer is unnecessary and also contrary to both the letter and the spirit of our collection rule?

To invite or permit any transgression of this "collection rule" leads

to dissemblance and to the disorganization of many of the material supports of our business.

It is, of course, inadvisable to seek or accept the business of those who are unable to make prompt payment of their premiums. The rule provides a time limit which is entirely reasonable and within which any person seeking insurance should be able to pay. To accept a risk from one not able to pay within the prescribed time involves the additional risk of possible loss of the premium due—and in that event the company would have carried the risk without compensation.

Permitting the violation of this or any essential rule or regulation belittles the importance of the contract in the estimation of the insured and of the agent (who is really the underwriter in many cases where, by reason of the circumstances and his local knowledge, his judgment alone is relied on in the issuance of the contract), and his sense of duty to his company may easily be dulled if he is not properly impressed and stimulated by the enforcement of the governing rule.

What produces more dissatisfaction or leaves a more unsavory taste than to sustain a loss under a policy on which the premium is long overdue? The adjuster's report in such cases invariably dwells on the financial embarrassment of the insured, which fact, if previously known, would have caused the cancellation of the policy, and in many instances it would have been known had the proper demand for the premium been made.

The record of such a case furnishes its own commentary of lax business methods, and suggests stricter methods for the future.

A case not at all uncommon, but presenting most embarrassing features, is one where an agent gives as his reason for not remitting your company's premiums when he is owing a considerable amount for premiums collected by him, that he is unable to make such remittance because he has appropriated these moneys to his personal use by using them to pay other companies, which, as he frankly states, are more exacting in the enforcement of this rule.

In some cases of the kind just cited, the delinquent agent has collected the premiums due all the companies represented by him, and after remitting to those most exacting in their collections, has used the moneys of the less exacting for personal uses of his own. Such unauthorized use of moneys by agents, amounting practically to a misappropriation of funds in their hands, is bad from both moral and business viewpoints, and invites petty embezzlements, if not more serious offenses.

The position of the company which has thus allowed its agents to

withhold moneys which should have been promptly remitted is doubly bad. Such company has for some reason, whatever that reason may be, not only failed to live up to its obligations to the other companies acting under and adhering to the "collection rule," by neglecting to require payment of its premiums within the prescribed time, but it has also burdened itself with a bad and perhaps uncollectible account which would have required an explanation had it come about in any other way than by "self-infliction."

Effects of This Evil Are Many

The bad effects on business in general from this evil of slow collections are many, and if it be permitted to exist among standard companies, which have adopted a rule against it, the bad faith thus exhibited will create the germ of suspicion and distrust, to say nothing of the monetary loss which will result. If it be to cultivate favor, or to offer inducement for business,—that such laxity is indulged, it is in the wrong direction and is a serious mistake. If the resulting loss from unremitted premiums is charged to the expense of transacting business and becomes an item in the account of "the too high cost of fire insurance," it is unfair to the insuring public, and therefore wrong, because the insured is thereby made to pay the cost of unsound business methods.

The writing off to profit and loss at the end of the year of such unpaid accounts, and other earned premiums uncollected, when considered in the aggregate, amounts to no small sum, while on the other hand, close adherence to the collection rule has absolutely proven to be the best remedy so far devised and avoids consequences both disagreeable and expensive.

The so-called cheap or "wild cat" insurance is commonly known to be "cash down" and should not be considered in the light of genuine competition in the insurance field. The security afforded by the contracts written by standard companies is so much greater and better, that no concessions arising from a relaxation of the collection rule should be allowed for the purpose of engaging in competition of that kind.

If "wild cat" companies deem their contracts worth cash upon delivery, I may be pardoned for suggesting that no self-respecting, standard company should consider its contracts of any less value or importance, or cheapen them by extending credit.

Premiums paid promptly when due, or policy cancelled, will relieve both company and agent of many unsatisfactory losses, and of lagging

accounts, which ultimately result in cumbersome suspense files of correspondence to be finally disposed of by attaching to a lost policy receipt blank the numerous letters demanding return of the policy.

It is worthy of note, that the agent who sends a monthly statement of account for all business done for the month, and who remits for same when due, has comparatively few cancellations for non-payment of premiums. Such agent in many cases takes the responsibility of remitting on itemized premiums, although he has not actually collected them at the time the remittance is made. In doing this he assumes a responsibility which otherwise the company would have to carry, and so, being more directly interested by placing himself in the position of a creditor of the insured, he becomes more diligent in collecting from the insured.

On what feature of the business is there centered more interest, especially at the close of the year, than on the daily remittances and outstanding balances? With what satisfaction and pardonable business pride do we regard the showing made by our accountant if accounts appear properly and promptly settled and healthy balances appear to our company's credit. The contrast would be decidedly noticeable if that accountant should, instead, present us with a tiresome, thumb-worn, batch of "over dues" on which we had already exhausted every recourse of sagacity and diplomacy, everything save drastic measures, to collect—a condition that would not exist if the rule be strictly adhered to.

Advantages of Prompt Remittances

The major key of harmony between company and agent and between agent and insured is but one of the many advantages of the prompt remittance of premiums by agents. Prompt remittance greatly obviates the danger of defalcations; it avoids complication of accounts, which is so harassing and annoying to the agent, to say nothing of the additional work caused the home office or department manager; often resulting in the further expense of engaging the time of a special to straighten out and collect the account. It greatly facilitates the accounting department and is like "water on the wheel" to the entire machinery of the office.

To appreciate the practical benefits of our collection system, we have but to call to mind conditions existing in other districts within our immediate observation which do not work under it, and we are at once impressed with its great value. In such districts the chief sub-

ject of correspondence between company and agent is accounts—accounts day in and day out. After repeated requests for remittances have been made the drawing of sight drafts and telegraphing specials is resorted to.

The agent soon becomes accustomed to being dunned and pays little heed thereto, and, because of his fancied importance to the company through the business given by him, and of his friendly relations with the special agent, he experiences no feeling of alarm, but persists in dealing according to his accustomed methods.

In conclusion, and to illustrate the practical results from the operation of this Pacific Coast collection rule, and while testifying to the high character for honesty and integrity of the agents generally representing the standard companies on this Coast, let me call attention to the comparatively small amount of actual loss sustained by reason of the non-payment of premiums collected and handled by approximately ten thousand agents working under our collection system.

The one-time custom on this Coast of exacting bonds from the agents has been quite generally discontinued, and in its place we have the better, safer, and more reasonable rule here under consideration, whereby premiums are promptly collected and promptly remitted, thereby avoiding the liability which the old-time bond was designed to cover, and placing company and agent on closer and better terms of trust and confidence, and placing the business of fire insurance on a virtual cash basis. (Applause.)

The President—Gentlemen, Mr. Blanchard has furnished us with a very timely and important paper. Personally I would not know what remark to make upon the subject except that "I concur." It is a subject that touches every one of us in the room, whether general agent, special agent, or adjuster. I do not imagine anyone will differ with Mr. Blanchard's conclusions, but if there are any remarks to be made upon it, I would be pleased to hear them.

Hearing none, Mr A. P. Lange, state agent of the Phenix Insurance Company, now at Portland, Oregon, has contributed a paper which he calls "Quotations from the Publications of the Committee on Publicity and Education." Mr. Lange is unable to be with us to read his paper, I regret to say. Mr. Guy Francis has kindly consented to read it for him, which I will now call upon him to do.

QUOTATIONS FROM THE PUBLICATIONS OF THE COMMITTEE ON PUBLICITY AND EDUCATION.

By A. P. Lange.

In his address before the Fire Underwriters' Association of the Northwest in October, 1908, Mr. W. N. Johnson outlined the work to be done by the Bureau of Publicity and Education of the Western Union. It is the purpose of this paper to quote from the publications sent out by this Bureau on those subjects which seem to be most commonly misunderstood by the public and to remove which misunderstandings the Bureau is earnestly striving.

I do not purpose to advance any new arguments for your consideration or to supplement those contained in the publications from which I shall quote, but only to call your attention to them as they bear on the various subjects which the public misunderstands. If, therefore, this paper possesses any merit, it lies entirely in containing quotations which may enable some of us to overcome prejudice and misunderstandings by remembering and using the arguments of others.

Fire Waste—The Fire-Fiend Americanus.

Undoubtedly the Bureau was convinced that a proper realization of the enormity of the fire waste in the United States was necessary before the public could be enlightened on many of the questions which have caused misunderstandings. We find several pamphlets devoted entirely to that subject, and almost all refer to it in a manner calculated to impress the readers.

Mr. A. F. Dean, in the address entitled "Who Killed Cock-Robin?", refers to the conclave of the President and governors in 1908, to consider the question of "Waste." Mr. Dean points out that the word "waste" was not defined at this august conclave, and after denying that it is waste to use the products of nature for the comfort of mankind, defines the word in the following language: "Any change of matter from a form or condition that is available for human uses into a form or condition not so available, is waste. Viewed from this standpoint, the great American public itself—the public to whom and of whom our politicians dare not speak the whole truth—is the culprit, for the American people for many generations have been busily engaged in helping along the combustion that has turned our late lamented forests into ash-heaps."

After reviewing the rapid transition from the log building to the modern city or town structure, Mr. Dean states: "There are about eleven million buildings in the United States. The lumber in an ordi-

nary frame dwelling is the product of a score or more of average forest trees. Every conflagration that consumes the business district of a town of a few thousand inhabitants destroys the product of a good sized forest, and a conflagration such as that of Chicago or San Francisco consumes enough lumber to denude an entire State of its woodland wealth. * * * No one can honestly study the facts and retain a shred of doubt that our shameful national waste is in largest part fire waste. * * *

"It is to be regretted that our President who has so strenuously wielded the big stick was not properly advised as to the real facts at the recent gubernatorial conference. One can imagine a peroration in about the following words: 'Go back, your excellencies, to your several commonwealths and for once tell your people the whole truth, not the truth flavored to catch the Republican vote, the Democratic vote, the farmer vote, the labor vote, or the vote of any party, class or section, but the truth that will set every man to searching out his own moral delinquencies. Tell your people that of all our sinful national wastes, fire waste constitutes the largest and least excusable part.'

"Our national hero, like Tartarin de Tarascon, is busy furbishing his armory of deadly weapons to go forth and redeem humanity from the monsters of darkest Africa in seeming ignorance of the fact that he is leaving in undisputed possession of his native land the most formidable fire-belching dragon of history, legend or myth—the great Fire-Fiend Americanus."

Although the joint conservation conference held in Washington, D. C., December 8, 9 and 10, 1908, invited the National Board of Fire Underwriters to take part in the conference, it did not include Fire Waste as one of the great sections of the entire subject of "Waste." The committee from the National Board expressed itself in part as follows:

"The excessive difference between the fire waste of European countries and that of the United States is caused principally by,

"First: The difference in the point of view and the responsibility of the inhabitants of Europe and the United States;

"Second: The difference in the construction of buildings;

"Third: The difference in the regulations governing hazards and hazardous materials and conditions, and in the enforcement of such regulations.

"The difference in the ideas of thrift; in the view of responsibility to members; in the perception of the real meaning of fire loss or waste,

are the cause of the larger number of fires per capita in the United States and perhaps of the larger loss per capita. The committee believes that the present fire waste in this country is an unnecessary national calamity, and that to reduce it it is essential that the public should be brought to understand that property destroyed by fire is gone forever and is not replaced by the distribution of insurance, which is a tax collected for the purpose."

Mr. Johnson, in his "New Gospel of Publicity," refers to the fire waste of the country at length and says: "During the past five years the destruction of property by fire in the United States—even with the most conservative estimates of the Baltimore and San Francisco conflagrations—amounted to one billion, two hundred and sixty million dollars. The human mind can hardly grasp the immensity of the waste thus entailed. That amount of the material wealth of the nation has been absolutely annihilated. Insurance has not and cannot replace it. It only distributes, more or less generally, and to all the people, the insurance losses which otherwise would fall with crushing force upon individuals and communities. Had this destruction been caused by war, the nation would have risen as one man to repel the invader, but with this insidious foe which marks its flaming pathway across this fair land, we stand idly by while this awful destruction continues."

Valued Policy Law.

Insurance Commissioner Barry of Michigan addressed the Business Men's Conference at Nashville, Tennessee, in January, 1909, on the subject of fire insurance and dwelt at length on the iniquity of the valued policy law.

"No State," said Mr. Barry, "desirous of lessening the destruction of property by fire should place or permit to remain on its statute books a law which puts a premium on the destruction of property. * * * The experience of every State having such a law, so far as I have been able to learn, is that premium rates have been advanced in its wake. This is the logic of the situation. * * * With the opportunity to collect in the name of the law greater values than those destroyed by fire, what incentive is there for the property owner to exercise watchfulness and care in guarding his property from fire? * * * From every standpoint the valued policy law, so-called, is, in my judgment, a delusion, a snare, and a menace to those in whose fancied interest it is enacted. Every consideration of justice and economy condemns it. * * * The valued policy law places a pre-

mium on dishonesty and disaster. A legislature should be the last to lead the citizens of a State into temptation."

At this same conference a paper was read by a member of the Bureau of Publicity, from which I quote apropos of the valued policy law:

"The insurance commissioner of Wisconsin says: 'The valued policy law in this State, as in all other States in which it has been tried, has been the means of increasing losses, and placing a premium on incendiarism. The very foundation principles of fire insurance are opposed to such a law. "Fire insurance is indemnity; it should never be gain"; it is intended only to make good the actual loss sustained, and to make a company liable, in case of total loss, for the full face of the policy, irrespective of the value of the property, has been the means of increasing the number of fires, and compelled the payment of thousands of dollars, thus increasing the rates to honest men. Such laws, together with high taxes, have prevented many companies from entering the State and giving our people the benefit of competition.'

"The insurance commissioner of Massachusetts characterizes such a law as 'hateful to good morals and offensive to public policy, because a temptation to social crime.'

"Governor Pattison of Pennsylvania, in vetoing a valued policy law passed by that State, said: 'Overinsurance and overvaluation are conducive to fraud, perjury, and arson; they breed crime—the most dangerous and demoralizing. Commonwealths, which in obedience to a false public clamor, have ingrafted a contrary principle upon their insurance laws, have reaped the whirlwind, and in the end honest insurers will have to pay the penalty of largely increased rates.'

"Governor Altgeld of Illinois, in vetoing a similar law, said: 'Insurance is an indemnity, not a speculation. It is intended to protect a man against loss, not to give him something for nothing. Its object is to make a man whole, so that he shall be no worse off after a fire than before. The principle involved in this bill would enable a man, in many cases, to be twice as well off after a fire as he was before. In all cases where a dishonest man could, by conniving with an agent, or in any other way, secure insurance for more than the real value of his property, a fire would be a blessing to him. There would be a standing bribe, a perpetual inducement to allow his property to burn down—I will not say to have it burn down—and when it is remembered that fire in one building always endangers and frequently destroys property near by, which often is not insured, it would be bad

policy for the State to permit a condition of affairs to exist, which, to say the least, tended to increase fires.'

"The insurance commissioner of Ohio says: 'To say that fires have steadily increased since the enactment of this obnoxious law is to put it mildly. * * * It is an open bid for arson. The legislature of Ohio ought to have repealed the law years ago. I do not regard it as a desirable law to have upon the statute books. The rates have steadily increased since the enactment of this law, clearly showing that honest people, in the end, are compelled to pay for dishonest losses.' "

Anti-Compact Laws. The Insurance Trust.

We have all advanced many arguments against the enactment of anti-compact legislation and have diligently sought to show the public the difference between a rating bureau and a "trust" as the term is generally understood. These subjects have received, as they deserve, considrable attention from the publicity bureau.

"The conditions existing in and surrounding each risk make the rate," says one writer. "These conditions are not made by or under the control of the companies, but largely, if not wholly, in the hands of the owner. He can, therefore, if he chooses, make his own rate. The real trusts, however, offer their patrons no alternative as to price or condition, insisting, as they do, in making both price and condition for their service or product."

Professor Whitney of the University of California, in his report to the San Francisco Chamber of Commerce, refers to rating organizations as follows: "Such organizations seem to have the character of trusts, but in reality their nature is entirely different. Of course any organization may be used in such a way as to prevent competition, and doubtless boards may be and have been used for this purpose; but there is nothing in the fundamental nature of a board as rate-maker that tends to restrict competition; quite the opposite; for this information regarding rates must of necessity become largely public property, and is to that extent generally available for whoever will to use. There will always be non-board companies and rates will always be kept down by competition."

Mr. Johnson defines an anti-compact law as follows: "A law which prohibits companies from co-operating in the collection of statistics with reference to losses and the cost of insuring various classes of property, or in the preparation of rating schedules based upon such experience, or which prevents the companies from agreeing upon the

rates which may be determined under and by such schedules, or which prohibits the companies from agreeing upon the amount of commissions or compensation to be paid to local agents, is a law which might well be entitled, 'An Act to Increase the Cost of Insurance and to Prevent the Reduction of the Fire Hazard.'" How many legislatures would dare to enact a law having such ends in view, and how many voters would desire to have such a law enacted if they were made to look upon the anti-compact bills in this light?

The Saturday Evening Post of September 1, 1906, published an editorial captioned "A Trust That Has to Be." The writer of the editorial made the common error of considering the combining of the companies for the necessary purpose of joint experience and reduction of expenses as a real trust. The editorial has been incorporated in one of the pamphlets distributed by the Bureau and is repeated here:

"To hate a trust is a very natural human emotion, for a trust, if it is a success, must act with a certain arbitrariness. The fire insurance trust, especially just now when it is advancing rates, experiences its share of this natural mental bias; yet the fact seems to be that it can neither save itself from being a trust nor avoid raising rates, and there is an element of unfairness in denouncing, because they are trusts, those several businesses which have to be trusts to succeed at all.

"The effort in modern business is to eliminate hazard. Hence the fire insurance company. But the fire insurance business itself is completely at the mercy of hazard. Possibly there is a law of averages in fire losses; but human experience so far has given no clew to it. San Francisco's insurance record has been excellent; yet the losses there in two days exceeded all the losses in the country in 1905, and wiped out fifty-five per cent of the companies' available funds. The great Chicago fire of 1871 was followed next year by a great Boston fire. If the companies were not in a trust—if they subjected themselves to the drains of competition by permitting agents to cut rates—they would not be strong enough to withstand these extraordinary shocks when they befall. They advanced rates in New York and Philadelphia on account of the San Francisco losses; but New York and Philadelphia may, next year, need to draw upon premiums collected in San Francisco to meet extraordinary losses of their own. In short, despite all the common-law theories of the legislators, it seems plain that if this business were not a trust it wouldn't be much good to anybody. Accepting this conclusion may be unpalatable politically, but plenty of good medicine tastes bad."

Fire Marshal Peterson of Minnesota is quoted as having said: "If

there are any instances of anti-compact laws having served to reduce the cost of fire insurance anywhere, I have failed to find them. * * * From general observation I am convinced that a rate-controlling compact or monopoly never existed in the fire insurance field. One of the never-failing signs of monopoly is here wanting, as is indicated by the fact that operating expenses are constantly increasing instead of decreasing, whereas the reverse is true in every case where trade agreements or compacts have succeeded open and free for all competition."

Insurance Commissioner Love of Texas speaks of the workings of the anti-compact law of that State in the following language: "Inequality and injustice must necessarily result from the operation of this system, the great body of those who carry small amounts of insurance and who are least able to bear an undue proportion of the insurance tax being required to carry a portion of the cost of the insurance protection of the larger and wealthier interests. It is certain that gross inequalities do exist in the fire insurance rates now collected in this State, the average collected on certain classes of risks being altogether out of proportion to those collected on other classes, and wide discrimination being common in the rates charged upon risks of the same class."

State Regulation of Rates.

The foregoing quotations deal with subjects which have been engaging our attention for many years. In late years new problems have arisen, brought about largely by the operations of laws which should never have been enacted, as well as by the absence of that uniformity which the public believes to be the main, if not the sole, purpose of boards and rating bureaus. Chief of these new problems is that of state regulation of rates.

Again quoting Commissioner Love of Texas, we learn his views on this important and interesting subject: "I recommend the enactment of legislation prescribing a fair and reasonable basis upon which all fire insurance rates shall be computed, and providing an agency to be composed of insurance experts with full power and authority to enforce such rates and to prevent discrimination as between insurants in the same class of risks.

"Such legislation would provide a method of preventing the exaction of exorbitant or unreasonable insurance rates more effectual than the present system of enforced competition, and would in a large measure eliminate the inequalities of the present system, under which the carriers of large amounts of insurance derive special advantages at the expense of the general public, very similar to those which would be

derived by the large shippers if the railroads were permitted to give rebates."

Paradoxical as it may seem, the States which have sought, through their anti-compact laws, to prevent the companies from establishing uniform rates now seek not only to establish such uniformity but also to enforce same; for, be it remembered, companies are to be prohibited from assuming liability on any risk at either more or less than the State rate.

"Before the States commit themselves to this important change," says Mr. Dean, "it is worth while to inquire as to its probable effects. The States by their anti-compact laws say, 'There shall be no measurement.' Now, it seems, they are proposing to declare, 'There shall be measurement, and we will make it.' This is, at least, a distinct advance from the anti-compact position, because it allies all conflicting interests on the platform that rates must be made by some mathematical system. This narrows the controversy down to the question, Who shall do the measuring of fire hazard? * * * It is inconceivable how rates could be made lower by the application of official State schedules applied by State employes, for at the outset the State would have to elect whether its rates should be based upon national experience or its own State experience. If the latter, the State would have to stand on its own bottom. If it elected to share in the national experience it would have to be guided by national statistics, and there is no ten-year period since statistics have been kept that our national statistics show an aggregate profit of over one to two per cent. No honest consideration of the facts would justify the States in an attempt to make a general reduction in rates by the application of an official schedule. Any attempt to do this arbitrarily would force an early and general retirement of fire insurance capital.

"On the other hand, if each State should decide to stand on its own bottom, it would have to abide by its decision, for it could not eat its pie and have it. It could not claim the exclusive benefit of years of low loss ratio and shunt its rates over on the national basis during its own years of heavy losses. It could not, in fairness, build a Chinese wall around itself and say to its citizens, 'We will compel the companies to abide by these rates,' without at the same time warning its citizens that they, too, would have to abide by them through foul weather as well as fair. If one of its cities should be destroyed by fire, the people of this State, and this State only, would have to 'pocket the loss' themselves without outside help.

"There is nothing ultra vires in the distribution of transcendental conflagrations over the entire country. In fact, this apportionment is inevitable and as legitimately a part of the fundamental principle of distribution which makes fire insurance possible as the distribution of a loss on a single building. The essential point is that the States themselves could not effect this distribution, while the fire companies are not similarly hampered. It is true that in the past the companies have performed this function crudely and imperfectly, because they have been hindered at every turn by an inimical attitude on the part of the State authorities and the people and by lawless competition. Every citizen of Baltimore and San Francisco could see without argument why other parts of the country should be taxed to make good their conflagration, but neither the citizens nor the authorities of other States could see it, and without much doubt much of the antagonism shown by recent legislation originated from the efforts of the companies to apportion at least a part of the San Francisco conflagration to other parts of the country. Whether or not the States shall ultimately take up the work of rate-making, they could not do any one thing that would increase the safety and protection to their citizens in a greater degree than to recognize the natural reciprocity that should exist everywhere in making good the losses from transcendental conflagrations by permitting the companies to make a reasonable rate advance distributed equably over all parts of the country. * * * The same public that, through its anti-compact law, says, 'There shall be no measurement,' individually demands detailed information as to every item in the make-up of its own rates and to know that the same system of measurement shall be applied to its own risk as to others. Comparisons of fire insurance rates spring up from all corners of the land. When a risk is rated this week, say in Minneapolis, the owners of like risks in Oklahoma City, or Columbus, Ohio, are likely to be heard from next week wanting to know why they are discriminated against, and it is necessary to satisfy the complainants by a detailed comparison, item by item. * * *

"After years of experimentation and uncertainty, with their accompanying confusion and turmoil, the States would find they had traveled around Robin Hood's barn and come back to the use of the same instrumentality, used in the same way and applied by the same men as the schedules they had forbidden the companies to use, for this is mathematically inevitable."

I have endeavored by the foregoing quotations to give you an adequate idea of the nature of the publications distributed by the Com-

mittee on Publicity and Education. The fundamental principles of candid and open dealings with the insuring public and full explanations of the subjects which have heretofore mystified the policy-holder seem to have been observed faithfully and successfully. I am sure that those of you who believe that publicity and not secrecy should be our motto will join me in the wish that the work of the committee may be continued indefinitely.

I extend my thanks to your President for the courtesy of giving me this opportunity to address you, and to you for your kind consideration in the reading of this paper, and regret most sincerely that it was not possible for me to be present at this meeting and to participate in the festivities which are to follow it. (Applause.)

The President—I suppose most of us are more or less familiar with the publications of this Committee on Publicity and Education. But to those who are not and who have heard these extracts read today, a desire will undoubtedly arise to make themselves thoroughly so. I have now the pleasure of announcing that our friend, Mr. William Sexton, will discuss for us the subject of "Apportionment and Contribution under Nonconcurrent Policies." (Applause.)

APPORTIONMENT AND CONTRIBUTION UNDER NON-CONCURRENT POLICIES.

By Wm. Sexton.

The cause of the infliction of this paper on you is the court decision in the Schmaelzle case, which, with all due defference to the court, cannot be recognized as a rule, because it fits in spots only.

In presenting a paper on this ancient, but at this time not generally understood subject, I can say that while there is not in these days one case in a thousand where this question is raised, yet, as said by the man in Texas in defense of carrying a pistol, "A man might not need a pistol once in a lifetime, but when he did, he needed it like hell." When the adjuster comes in contact with a "non-concurrer" he needs to know something about rules.

Before the general use of printed forms, a loss on a country store would have insurance in company A on store building; company B on building and warehouse adjoining; company C on warehouse; company D on general merchandise in store; company E on merchandise in store and warehouse; company F on merchandise in warehouse; company G on groceries in warehouse; company H on groceries in

store and warehouse, with other companies covering specific on toys, on clothing or other property; each company represented by its own adjuster, and the adjuster who got there first applied such rule as would let him out at the least cost, leaving the fight to the other adjuster or adjusters.

Confronted with these conditions, this Association undertook, about thirty years ago, to frame a rule that would apply in all cases, be fair to the insured, equitable between the companies, and under which the adjuster of any office could adjust for others.

Two rules were presented, the "Kinne" and the "Sexton" Rules. The latter provided for apportioning the total insurance, general and specific, in the proportion of "loss to loss" on items named; and re-arranging the apportionment to conform to cases where the specific insurance on, exceeded the sum apportioned to any one item; and then contributing from the sums so apportioned.

The former, the Kinne Rule, in which Colonel Kinne adopted the Finn "loss to loss" Rule as a basis, provides for re-apportioning the unexhausted insurance, and contributing pro rata therefrom to pay the loss in full, or to exhaust all of the insurance that could be applied thereto.

The Finn "loss to loss" Rule, which was generally in use in the East, having legal decisions in its favor, was, as amended by Colonel Kinne, adopted, and designated as the "Kinne Rule," which rule is equitable and applicable in all cases.

Apportionment.

Apportionment under either "value to value" or "loss to loss" or blanket (general) insurance, apportions to the items thereunder covered or not covered by specific insurance, a pro rata portion of such blanket (general) insurance, from which contribution is made pro rata, to pay the loss on such items.

Contribution.

Contribution contributes pro rata from the sums so apportioned to the items, with the sum or sums of the specific insurance on the items, to pay the loss on such items.

The Rules of Apportionment With Contribution.

The rules of apportionment with contribution are the Reading, "value to value," Finn "loss to loss," and Kinne rules. The latter is the Finn Rule of "loss to loss," amended by Colonel Kinne by re-apportioning, pro rata, the unexhausted general insurance on items

covered by large specific sums, to contribute to, and to pay any shortage on items covered by small specific sums. This reapportionment, when necessary because of variance in the sums of the specific insurance on items, causes the Kinne Rule to apply positively and equitably in all cases.

The Rules of Contribution Without Apportionment.

The rules of contribution without first apportioning the blanket (general) insurance are the Albany, Cromie, and Schmaelzle, of which the Cromie applies to simple non-concurrent policies where but one item only has specific insurance. The Albany and Schmaelzle rules of contribution are intended to apply to both simple and compound non-concurrent insurance, but they, like the Reading, "value to value," and Finn "loss to loss" rules of apportionment, do not in all cases indemnify the insured, consequently cannot be considered as fair and equitable rules.

The Cromie Rule, applying to simple non-concurrent insurance, while not equitable between companies, does carry out the principle of indemnity to the insured; as, under its working, the general insurance cannot retain a dollar while any portion of the loss is unpaid.

The Cromie decision was rendered in a case where company A insured the old mill for $5,000; company B insured the old and new mill for $7,000. The loss on the old mill was $8,377,63, the loss on the new mill was $1,122.37. The court, Marshall, C. J., held:

"That the compound policy covering both old and new mills should first pay its specific insurance on the new building to the amount of the loss—$1,122.37; which amount, at least, should be deducted from the policy before its aggregate amount could be brought into the calculation by which the proportional liability of each was to be ascertained."

General principles of insurance are:

"That losses under fire policies are to be paid without contribution from the insured."

"Any one policy cannot take precedence in claiming contribution from, or at the expense of, the others."

"In no case must the contribution clause be construed in such a manner as to throw loss upon the insured against which he would have been fully protected had his policies been free from that clause."

"No apportionment of loss must be made among companies which will not fully indemnify the insured to the amount of the insurance."

Based on these principles, an axiom of fire insurance is that no company can have a salvage at the expense of its fellow company, or at the expense of the claimant.

Courts have rendered various decisions upholding the "value to value" and the "loss to loss," "apportionment with contribution," and "contribution without apportionment" rules; but in all of the cases so far decided, the only question that was seriously considered, was, as in the Schmaelzle case, that the rule as applied in such case paid the insured in full, there being no shortages, on the loss on any of the items, to be made up, consequently the cases did not call for the application of the Kinne Rule, which provides for reapportionment of, and contribution from unexhausted insurance, pro rata, to pay the loss in full; this reapportionment and contribution, pro rata, is not provided for under any other rule.

The Schmaelzle decision is the latest (for the case at issue, only) of "wrong in principle and faulty in practice" in the application of blanket (general) with specific insurance on more than one item, and only needs to be studied to ascertain that it, like the Reading and the Finn rules, does not carry out the true principles of indemnity and cannot be considered a precedent because it is not general in its application. The court evidently foresaw this weakness in the decision, when making a reservation, by saying, "Where this works out substantial equity and justice to all concerned." If the losses in the case at issue had not ben paid in full by the operation of the decision, the court would have been compelled to find a rule that would carry out the true principle of indemnity.

In the Schmaelzle case the court said:

"Where property consisting of several items is insured by several policies, some blanket and others specific, and each policy provides, "This company shall not be liable under this policy for a greater proportion of any loss * * * than the amount hereby insured shall bear to the whole insurance," for the purpose of determining the proportional liability of the blanket and specific policies on the first item, the full amount of the blanket insurance is to be considered; on the second item, such amount less its liability on the first item; and so on, the items being taken up in the order of "the greatest loss; where this works out substantial equity and justice to all concerned."

Total insurance on buildings and machinery, $60,000; 31 policies for $55,000 were blanket, and $5,000 specific, as follows: Brewery, $1,634.88; stock, $1,839.21; machinery, $1,498.64; shed, $27.24.

Sound Value of Property, Loss and Insurance.

Sound Value	Loss	Insurance		
$20,586	$15,115	$1,635	Specific	Brewery Co. A
11,085	11,085	1,839	"	Stock Co. B
28,111	16,753	1,499	"	Machinery Co. C
200	. .	27	"	Shed Co. D
		55,000	Blanket General	Co. E
	$42,953	$60,900		

The record of the case does not state whether the specific insurance is in one policy in one company, or in four different companies, but we can assume that the latter is the fact.

Under this Schmaelzle decision the contribution is in the order of the amount of loss, machinery being No. 1; brewery No. 2, and stock No. 3, and the statement of loss is:

Property and Loss	Brewery No. 2 Loss $15,115		Stock No. 3 Loss $11,085		Machinery No. 1 Loss $16,753		Shed Loss Nil		Totals	
Company	Ins.	Pays	Ins.	Pays	Ins.	Pays	Ins.	Pays	Ins.	Pays
Co. E. Gen'l	$38,694	$14,494	$24,200	$10,302	$55,000	$16,306	. .	. .	$117,894	$41,012
Co. C. Spec.	. .	. .	. .	. .	1,499	447	. .	. .	1,499	447
Co. A. "	1,635	621	. .	. .	. .	. .	. .	. .	1,635	621
Co. B. "	. .	. .	1,839	783	. .	. .	. .	. .	1,839	783
Co. D. "	. .	. .	. .	. .	. .	. .	27	. .	27	. .
Totals,	$40,328	$15,115	$26,039	$11,085	$56,499	$16,753	$27	. .	$122,894	$42,953

Under the Schmaelzle decision, as shown in the above statement, company E, blanket (general) policy of $55,000, contributes on a basis of $55,000 to machinery, $38,694 to brewery, and $24,200 to stock; total, $117,894, and pays $41,102, being 75 per cent of its policy; company C (specific) pays at the rate of 29%+; company A (specific) pays at the rate of 37%+, and company B (specific) pays at the rate of 42%+. The specific policy of company C covering on the item having the largest amount of loss, escapes with 29%+ loss, being two-thirds of the per cent of loss that is assessed to company B, covering on the item having the smallest amount of loss; both being co-insurers with the blanket (general) form of company E, which pays 75%; the per cent of insurance paid varies from 29%+ to company C, to 75%— of company E. This does not "work out substantial equity" to the companies.

This feature is wholly at variance with the axiom that "No one policy can take precedence in claiming contribution from or at the expense of the others," proving conclusively that the decision is wrong in principle.

Had there been two additional items covered by specific policies of, say, $250 each, and on which the losses were $8,000 and $7,000, respectively, the blanket (general) policy of E would pay $7,858.75, and the specific $250 would pay $141.25 on the $8,000 loss. The remainder of the blanket (general) policy of E, $6,039.25, with the $250 specific policy, being a total of $6,289.25, would, under this decision, be all that could be applied to the payment of the $7,000 loss, thus leaving the claimant $710.75 short, with $60.500 insurance on a loss of $57,953, and an unexhausted balance of $2,547 salvage to the companies.

This does not "work out substantial justice to the insured," nor does it carry out the law of indemnity that "No apportionment of loss must be made among companies which will not fully indemnify the insured to the amount of his insurance," and proves without the shadow of a doubt that the decision is faulty in its application, as it does not in all cases exhaust all of the applicable insurance to indemnify the insured.

Under the Kinne Rule the apportionment and contribution in this case is:

Statement of Loss, Kinne Rule.

Property	Brewery Loss $15,115		Stock Loss $11,085		Machinery Loss $16,753		Shed Loss Nil		Totals	
Companies	Ins.	Pays	Ins.	Pays	Ins.	Pays	Ins.	Pays	Ins.	Pays
A	$1,635	$1,177	. .	. .	. .	. .	. .	. .	$1,635	$1,177
B	. .	. .	$1,839	$1,271	. .	. .	. .	. .	1,839	1,271
C	. .	. .	. .	. .	$1,499	$1,094	. .	. .	1,499	1,094
D	. .	. .	. .	. .	. .	. .	27	. .	27	. .
E general	19,354	14,194	14,194	9,814	21,452	15,659	. .	. .	55,000	39,411
	$20,989	$15,115	$16,035	$11,085	$22,951	$16,753	$27	. .	$60,000	$42,953

Under the Kinne Rule, as shown in the above statement, company A pays 72%; company B, 69%+; company C, 73%—, and company E, 70%+. The variance in the per cent of loss to insurance is caused by the proportion of the specific insurance to the loss on items; A has $1,635 specific on item having $15,115 loss; B has $1,839 specific on item having $11,085 loss, and E has $1,499 specific on item having $16,753 loss.

This rule is equitable between the companies and is just to the claimant, as it provides for the application of every dollar that can be carried to the payment of the loss.

A rule of equity toward, or between the companies, is not often considered by courts in cases against the companies, the aim being

to render a decision in favor of a rule that will pay the insured the loss in the case at issue.

The Kinne Rule, being the only rule in the books that apportions and contributes, pro rata, the total amount of all insurance that can be carried to the payment of the loss, should have the support of underwriters.

The rule in the Cromie case, giving, as it does, full protection to the insured under non-concurrent policies where but one item is covered by specific insurance, and being backed by the court decision, has become so universal in the United States, that we on the Coast cannot without an agreement by all of the managers of companies, apply the more equitable Kinne Rule, instead of the Cromie Rule, to simple non-concurrent policies; but as the Kinne Rule is the only rule in the books that apportions and contributes, pro rata, to the last dollar of insurance to pay losses in full under compound (where two or more items are covered by specific insurance) policies, there is no reason why we should abandon it in favor of any rule that is not equitable between companies and fair to claimants.

The employment of an experienced independent adjuster or a special who will ascertain the actual loss to the property under the policy, and who will not make a salvage at the expense of the insured or of the other company, or miss a salvage through negligence, to adjust for all companies on the loss, guarantees fair and equitable treatment to the insured and the companies. (Applause.)

Mr. Kinne—Mr. President, I am very glad that "us old heads" can now and then give you some practical experience and teach you something. The education of the young is one of the prerogatives of the older ones, you know. I have a few words that I would like to say on this subject, and I must get them out of my system right now, if I may. Can I be permitted to do so?

The President—We are delighted to hear from Colonel Kinne.

Mr. Kinne—Our friend, Mr. Sexton, by permitting me to read the proof sheets of his paper, is as courteous to me at the present time as he was a quarter of a century ago, when, after two or three years of discussion and consideration, the Kinne Rule was adopted at a meeting of the Fire Underwriters' Association of the Pacific, held February 18th, 1885, by a resolution reading as follows: *Resolved*, That this Association hereby recommends the use of the

Kinne Rule for the apportionment of losses under non-concurrent policies in all cases of difference of opinion arising between interested parties." There is not one of you here but who knows the rule, and should have a copy of it. If you haven't, I can supply you with any number of them.

The paper to which you have just listened is based upon the general principle that the insured must get his money, if there is general and specific insurance enough to pay him, and the inconsistencies and dangers of any decisions—by courts or companies—which cause a general policy to pay on the basis of three or four times more than the insurance for which a premium is received, are shown in the most careful and explicit manner.

Brother Sexton's conclusions are based practically upon the Griswold Rule, and all that I claim for the Kinne Rule is that it is the Griswold Rule made perfect. It must always be conceded that a general policy is only an aggregation of specific items, and that we are simply compelled to divide it up, or apportion it, in case of a loss, to the end that the insured may be paid his full loss and that an equitable and just contribution may be made by each company interested.

The Albany Rule, based upon insurance to insurance, was dropped like a hot potato when it was found that the first adjuster on the ground had divided the general policy on the basis of insurance to insurance, and, after expecting payment, the poor insured found that he had been swindled out of many thousands of dollars. The foolish decision of the court in Connecticut was not quite as bad as the Albany Rule, but it robbed the companies who wrote the general policy in the most conscienceless manner.

The Finn Rule, based upon the loss to loss idea, admitted of no reapportionment. Mr. Finn stated in behalf of his rule of some thirty years ago, that his method was a proper one, but he stopped short of indemnity and let the insured suffer for the reason, as he said, "because the insured had not effected his insurance properly or with judgment."

I do not care at this time to go into any discussion of many of the matters that Mr. Sexton has presented to you so ably, but do wish to congratulate him on the fact that, in his more mature

years, he is practically coming around to the notions of a young man like myself, and I do not forget that there are other gentlemen present who are even younger than I am, and that these papers and discussions regarding them, particularly in the face of the fact of the advent of adjusters from the East, where there is no established rule, has caused some little commotion, from the fact that they were evidently not aware that these matters had been fully (and many of us old fellows think somewhat ably) discussed years ago, and that it was the decision of our Association that the best plan would be to have but a single, practical and equitable rule, to be followed at all times, by all adjusters, and not let the first man on the ground hurt the other fellow.

You will find, upon personal investigation, that in any and all cases the Kinne Rule is the perfection of principle, and the best adapted to maintain harmony in the ranks of all concerned.

The conditions of policies are a part of the contract, as well as the form of covering. If a man has a dwelling and a barn, and we cover his dwelling in an amount of $1,000, we do not pay for the barn when it burns. Again, as the conditions of all policies read that the company is liable for a proportionate amount of loss, *based on the amount of the policy*, honesty and justice will not permit a doubling or trebling in the way of an increase of liability.

The Schmaelzle decision was not quite as bad as the old time application of the Albany Rule, for while that always robbed some of the companies, and often the insured, the Connecticut judge only robbed some of the companies.

There is no sensible basis for either, and the Albany Rule was removed from future consideration years ago, just the same as the Connecticut adjudication ought to be at the present time, by all practical adjusters who do not care to use an unjustifiable precedent.

The natural conclusion is now before us, to the end that all we have to do at the present time is to re-dedicate ourselves at once to correct principles and an equitable Rule for all concerned.

And is that the Kinne Rule? (Applause.)

The President—Would any other gentleman like to be heard upon this subject?

Mr. Kinne—I think, Mr. President, there are some gentlemen here who have, you might say, amused themselves, by now and then, in the course of their daily vocations, having occasion to apply the Kinne Rule. I would like to hear if they have any objections to urge.

Mr. A. W. Thornton—Mr. President, it was not "amusement" to me when I started out with the Kinne Rule. It was a question of deep thought and figuring. I have been, fortunately, or unfortunately, tied up with a good many nonconcurrent adjustments and have found that the Kinne Rule works out substantial justice to both the claimant and the company. Possibly the correct rule, theoretically, should be that the blanket policy be divided as value to value, on the ground that the insured should be placed in the position after the fire that probably he occupied when he took out his insurance; that is, that we should ask him to make his insurance specific, and to place fifty per cent on this item, or forty on that item, according the insurance that he wishes to carry. If that were so, there would be no reapportionment after the loss. Unfortunately, however, that is impracticable, first, because the insured must collect the full amount of his loss, and second, because of the impossibility of dividing the blanket policy in proportion to the value of the several items, for the reason that values are not always ascertained in the adjustment of losses. It is necessary to determine in the adjustment what the loss is on the specific items. Consequently, when it comes to an adjustment on a blanket policy, nonconcurrent with others, there would be a bickering and disagreement which could not be reconciled in any way. A policy provides for the determination of the loss by appraisal, if necessary, and we must determine the specific losses before the claim can be settled; but under the Kinne Rule the bickerings and disagreements can more readily be avoided. My experience upon the subject has made me perfectly sure that the Kinne Rule is more nearly correct than any other. And I want to suggest in closing that, in adopting this rule in 1885 by this Association, it was an adoption by an Association that had no authority to apply it practically. I believe the only way that the Kinne Rule can be adopted, or that any other good rule can be adopted, is by the com-

panies agreeing to it. We stand ready, as one office, to enter into an agreement with other offices, to apply the Kinne Rule at all times when nonconcurrent policies enter into the adjustment, between ourselves and those who will sign with us. (Applause.)

The President—I am very glad indeed to hear Mr. Thornton express that view. The resolution of this Association reads that we adopted this as the sense of this Association, that is, that it was the sense of this Association that the Kinne Rule should be the rule or mode adopted of apportionment. I understand, and I have always understood, that Mr. Sexton agrees that the Kinne Rule is the rule that works equitably in all cases. But on one occasion I came in contact with him, and we had a general policy, I believe, while he had a specific policy, and the Kinne Rule didn't work out quite as well as the Cromie Rule for him, and when I wanted to apply the Kinne Rule, he suggested that the Cromie Rule had a court decision behind it, which he could not go back of. That was a case of a simple nonconcurrent policy. I asked him what the remedy was, and said that our idea was to be consistent. We expected to abide by this Kinne Rule in our apportionment, I told him. He said, "That is binding on the members of the Fire Underwriters' Association, maybe, but it is not binding on the company." I think the point brought out by Mr. Thornton is a very good one. If the adoption of this rule by the Association is of no effect, then let us do something else—have the companies sign an agreement in reference to it, take some steps so that we will know just where we stand, and be consistent in all cases.

Mr. Kinne—Mr. President, speaking of that, it seems to me that the men who are in touch with the local agents and represent the managers, as we meet here, as we do today, if everyone will fully understand and agree to the idea that a certain rule, we will call it the Kinne Rule for the present, is the proper and equitable one, as Mr. Sexton has plainly shown to you, that the influence of the special agent and of the various representatives upon their managers should cause every manager to say, "You attend to that part of the business and I am not going to interfere." Now, I conceive this idea, that to go into the camp of each of the managers represented in the Board of Fire Underwriters to bring up a matter

like this would create a certain degree of confusion and possibly in the minds of two or three unthoughtful or uneducated ones a certain degree of distrust, and they would not consent to it. But I simply want to tell you gentlemen that we here, the managers and the special agents, together represent the whole insurance fraternity. But to bind down a man by his signature that he will do thus and so, when perhaps his representation is in other cities from what mine is, and others are in other cities from what yours is, it would be a pretty hard thing to get them to consent to it, because some reach way out to Chicago, and even way down East. We represent this organization on this Coast, and if every one will be imbued with the idea that a certain rule is correct and must be applied at all times, why, no manager is ever going to interfere with you. There are cases, one or two, with which we are somewhat familiar, where the thing could have been settled without any controversy, and it should have been, and the manager of the company, who was representing one of the companies interested, says he is sorry for it that it happened as it did. Let us here as a body of men organized thirty-five years ago get to understand ourselves. The managers, many of them, know little about the details of adjustments. A good many of them came in through the cabin window, and not as Brother Sexton and myself did, through the forecastle; and they do not know as much about these things as we do. You younger men should plainly understand this thing, and if we agree upon a certain proposition, tell your manager, if he thinks otherwise, that he is wrong and you are right. That is the way to talk to him. Then he will get some good out of us.

Mr. Sexton—Mr. Chairman, of course I am the culprit at the bar—I broke the rule. In trying to enforce this rule, we lived up to it for a long while, but a manager came here from the East and was operating a very large concern, and was withal a talented man, and when we had a case like this in which I was interested, he said, "No, this other rule has a legal decision behind it, and we will settle on that rule." When I got around to a chance to get even for that, my friend in the chair happened to be upon the other side, and I seized upon the legal rule and I got even. I am perfectly willing to confess my sins and pocket the money. It is always a

good idea when you have sinned to confess and keep the money. But I am perfectly willing to join with Colonel Kinne and with everybody on that rule that is so easily understood and applies to everything that can be cited in that regard. Of course, in my paper I said that is the only rule in the book. I reserved a certain other rule that did not get into the book. (Laughter.) I want that understood—it did not get into the book. But as that rule fits every case, I would like to join with everybody else to settle all nonconcurrent losses, both simple and compound, under the Kinne Rule.

The Secretary—Mr. President, I have settled many losses of that kind under the Kinne Rule. I don't think there is a fairer rule. Nevertheless, I would caution any adjuster, independent or otherwise, running onto nonconcurrent policies, about insisting upon the application of a certain rule to such a case. Leave it alone and let the managers they represent decide it. If the managers will get together and give us some working rule, and certainly the Kinne Rule in nearly every apportionment is the fairest, that will simplify greatly.

Mr. A. W. Thornton—If we had a rule that the courts would recognize as being a rule adopted by the underwriters on the Pacific Coast, it would undoubtedly uphold that, and it would go a long way towards influencing results. At the present time, the rule is not adopted by the companies, but by this Association, and, while our special agents may be instructed to apply the Kinne Rule, independent adjusters do not dare to, and they must submit the matter to their companies. The only way is to have some agreement drawn up and signed, and I would like to see that done.

The President—Have you any suggestions as to the mode of procedure, Mr. Thornton?

Mr. A. W. Thornton—Unless the Association, Mr. President, should consider it wise to appoint a committee to sound the opinions of the companies, and ascertain whether there would be a sufficient number of them agree to the adoption of this rule so that those companies that stood out would be practically immaterial to us as to whether they were in or out, and then if seventy-five per

cent of the companies here would agree to adopt the rule, it could be adopted in ninety-nine cases out of a hundred, I think.

The Secretary—Put it in the form of a motion to bring it to a head, Mr. Thornton.

Mr. Thornton—I hate to do that, as I do not know whether it would meet mith general approval. I would like to hear some discussion upon it.

The President—I would like to hear the sentiments particularly of independent adjusters on the question. Mr. Meade has sounded an alarm, I think.

The Secretary—I will move, Mr. President, that the chair appoint a committee to interview all the managers upon the question of the adoption of the Kinne Rule as a rule to be used in the adjustment of nonconcurrent policies on our Coast, and let this committee be the representative of our Association, so that we may get written statements from the managers as to whether or not they will agree to and adhere to the Kinne Rule.

The Chairman—To bind companies under the jurisdiction of such managers?

The Secretary—Certainly.

The President—Do I hear a second to the motion?

Mr. Sexton—I will offer an amendment to that, Mr. Chairman, so as to put everybody on record. My amendment is, that the members of this Association sign a request to the managers to adopt the rule, and let us see how many we have of our own members who believe in it first. Let us sign a request to the managers petitioning the managers to sign an agreement to adopt that rule. I offer that as an amendment.

The Secretary—I think it is a very good suggestion of Mr. Sexton, and I will accept his amendment.

The President—And embody that in the original motion?

The Secretary—Yes.

Mr. Kinne—I do not know how far you have got, Mr. President, as I have but just returned to the room from a short absence.

I am sorry I did not hear what Mr. Sexton and the others have had to say.

Mr. Sexton—I pleaded guilty to taking the money from our President, but I gave as a reason that some leading manager who came here from the East had robbed me, and I passed it on to him.

Mr. Kinne—What I am getting at is this: This amendment of Brother Sexton's is getting close to the point, but, instead of having the different special agents—they are not all here—instead of having those who may be here sign such a petition, why not have this Association, if it will do it unanimously, of course, which we hope for—why not have this Association, through its special agents, recommend to the managers that they shall sign such an agreement. There are quite a number of special agents that are not here, and they have not listened to this paper of Mr. Sexton's and the other talk upon the subject here that has intervened. But if this Association, as I stated at the closing of my few remarks, which I put down in print so I would not forget how to say them, should re-dedicate itself to a rule fair and equitable to the insured and to the companies, why would that not be well? If this Association feels like it, an amendment could be, it seems to me, in about this shape: that we recommend unanimously that the managers of the companies represented on the Pacific Coast here shall sign an agreement that they will instruct their own people and the independent adjusters to adjust losses on the basis of the Kinne Rule. Would not that accomplish the same thing? Would it not be putting ourselves in the shape that we were in a quarter of a century ago? You have listened to enough, you gentlemen who were not there at that time, so that it seems to me you can vote understandingly, and that will save all this intervention of individuals, going to their managers and talking the matter over. We are a body of great importance, and we can do something if we will do it as a body, as an Association. That is the suggestion I am making in regard to this substitute, that this body do recommend to all managers that they adopt the Kinne Rule, and then I will make a further motion.

The President—I think it is better to subdivide the motion in that way.

The Secretary—I will make the recommendation in that form. The other motion has not yet been seconded, I believe.

Mr. Gunn—There is a motion before the house.

The President—You made the other motion, Mr. Meade. Do you withdraw it?

The Secretary—I withdraw the other motion.

Mr. Sexton—That is the substance of the present motion, and the only question is how to get it to the managers. Would it not do to have it understood that the President of this Association visit each manager for that purpose—would that cover the case?

Mr. Kinne—That would be good. But we have to adopt it first.

Mr. Sexton—I think there will be no trouble about its adoption.

The President—I have no doubt you refer to the incoming President.

Mr. Sexton—Yes, the man in power.

The President—Gentlemen, I think the way to bring it before the Association is as Mr. Meade suggests. He withdraws the original motion and if Mr. Sexton withdraws his amendment, we can present the matter in two motions; we can submit the question of the approval of this Association, and then I think it could be made to devolve on the incoming President, if you think that better than the committee—that is, we will provide the mechanism for putting it into effect.

Mr. Sexton—I consent.

The Secretary—Then my last motion is before the house if it is seconded.

The President—Will you repeat the motion?

The Secretary—I move that this Association adopt the Kinne Rule to go by in the future in the adjustment of losses under non-concurrent policies.

Mr. Kinne—That was adopted by this Association twenty-five years ago.

The Secretary—That is true, but we want it re-enacted, and we want to get the adoption of that before this Association, and then I am going to move further to have obtained the signatures of the managers to an agreement, as we have been discussing here.

Mr. Gunn—Mr. President, I believe the intention of all of these gentlemen is that this Association as a body should recommend to the managers that in all cases of adjustment of nonconcurrences, the adjusters, whether special agents or independent adjusters, should adopt this Kinne Rule as a basis of settlement, and that the chair appoint a committee to confer with those managers and see if they will not sign such an agreement.

The Secretary—That is the idea.

Mr. Gunn—I believe that is what we are trying to get.

The President—Does that express your idea?

The Secretary—That is my idea.

Mr. Gunn—I would suggest that you should appoint a committee of three independent adjusters, for the reason that the special agents can go to work and apportion under the Kinne Rule, or any other rule, and all he will get, if the office objects, is a call-down, while if Mr. Meade goes to work and gives the Hartford the worst of it, the chances are the Hartford will be mad for a year, and the independent adjuster has by that means got himself in a hole.

The Secretary—That is the proposition exactly.

Mr. Kinne—I think Mr. Gunn has got the thing boiled down. The idea is to have the backing in a responsible way of this Association, if you want to have it go to the managers, and then a committee can be appointed, and they need not be necessarily of independent adjusters—or the President of the Association can do it. But what we want to know is, whether it is recommended that the managers should sign an agreement that this rule should be adopted as the basis for settlement under nonconcurrent policies.

The President—As I understand the motion, it is that this Association reiterates and reaffirms its faith in the Kinne Rule, that it recommends to the managers of the Pacific Coast that, in

all adjustments, whether made by independent adjusters or their own special agents, that in the case of nonconcurring policies, the Kinne Rule be observed, and that a committee of three be appointed by the President to obtain signatures, to the end that they may obtain the signatures of as many managers in the districts under their jurisdiction as they can.

The Secretary—That is correct.

The President—Are you ready for the question?

The motion was duly seconded and unanimously passed.

The President—It is unanimous, and I will appoint the committee now. I will name Messrs. Meade, Kinne and Thornton.

Mr. Kinne—I don't think I ought to be named, Mr. President.

The President—I think you should.

Mr. Gunn—In view of Colonel Kinne's suggestion, I suggest that instead of Colonel Kinne, that Mr. Kinney, of Texas, should be appointed.

Mr. Kinne—Yes. It would be much better to have a committee composed of Messrs. Meade, Thornton and Kinney with a "y".

The President—I accept the suggestion and the Secretary will so note the appointment of the committee. And, gentlemen, I am glad, and yet I am sorry, to see this thing disposed of. I am glad to have it done, but I am sorry to see it settled before I have a chance to get back at Uncle Sexton.

Mr. Sexton—The other fellow got my money, so we are even the other way round.

The President—Gentlemen, we have a paper here on "The Education of the Local Agent," by Mr. R. J. Highland, who is a local agent at Tonopah. I regret that Mr. Highland is not here to read this paper. However, there is a special agent here whom Mr. Highland represents, and I will call upon Mr. Dollard to read the paper.

THE EDUCATION OF THE LOCAL AGENT.

By Robert J. Highland.

In accepting the invitation of Mr. Gilliland to address your Association, and incidentally advising him of the subject of my remarks, "The Education of the Local Agent," my stenographer inadvertently transcribed his notes to read, "The Ejection of the Local Agent." The error appealed to me as being both ominous and significant, and I thereupon informed your President that it would be impossible for me to be present at the meeting to offer my ideas in person.

In addressing this Association upon any phase of the fire insurance business I understand that I am attempting a theme in regard to which my audience has vastly more knowledge than I, but it is my hope to present some ideas as to the needs of the local agent that may possibly inspire some additional effort toward assisting us to better equip ourselves to carry on the business in which we are engaged.

It must be understood that the local agent bears a fiduciary relation not only to the companies which he represents, but also to the property owner who entrusts him with the handling of his insurance. The average insurer realizes that he knows but little in regard to fire insurance and relies almost entirely upon the local agent to see that his property is properly protected by real indemnity in the event that he suffers a loss by fire. He also looks to the local agent to obtain for him the lowest rate to which he is entitled under existing conditions. Therefore, the agent who is able to create confidence in his ability to obtain these results is naturally the one who will procure the greatest volume of business.

The two branches of fire insurance in which it is most desirable that the local agent become better informed are "application of rates" and "preparation of policy forms."

Much has been said on the subject of educating the insuring public and the necessity of convincing them that the rates are not unreasonable or exorbitant. There certainly can be no more logical means of accomplishing this than through the medium of the local agent, but this method is not available unless the agent himself has some knowledge of the science of rate-making. It is not particularly soothing to a complaining policy-holder to be told by the agent that the rate at which he has covered his property has been arbitrarily fixed by the Board of Fire Underwriters, and that no other agent may write the business for any less. Let us take for an illustration the stove-pipe deficiency charge. Were an agent in possession of information and sta-

tistics demonstrating to what extent a stove-pipe passing through a wall, window or roof, increased the fire hazard, he would be in position to combat this evil by persuading his client to remove the stove-pipe or pay the charge without demur. The agent should be informed as to the conditions which operate to establish the rates in his own town, at least, and it would seem reasonable to suppose that were he able to offer an intelligent and convincing explanation of these conditions it would tend to make the public less antagonistic toward the companies and produce physical improvements that would make a reduction in rates both possible and profitable.

It is an often quoted aphorism of the fire insurance business that "The time to adjust a loss is when the policy is written." Adopting this as an axiom, we are justified in the deduction that "One who writes an insurance policy should be as competent as one who adjusts a loss." Yet, a man of twenty-four hours' experience as a fire insurance agent may write a hundred thousand dollar policy, while in the event of loss under that policy no one but a trained and experienced adjuster would be allowed to handle it. The printed conditions of the policy protect the company against fraud, misrepresentation and inadequate information, and it therefore devolves upon the local agent to write a policy that will permit the insured to carry on his business and still receive the protection for which he is paying and which he believes he is receiving. The agent feels secure in his knowledge of the company's integrity and financial responsibility, and has, in most cases, witnessed examples of its liberality in the adjustment of losses, which may cause him to incline to the belief that even though certain slight errors or omissions in the policy develop after the fire, the company would not take advantage of them. In the majority of instances this would undoubtedly be the case, but the fact remains that an insurance policy is a contract and the companies very properly regard it as such. They furnish the local agent with a printed form and look to him to adapt it to the conditions which exist in the property he is covering. If a policy so adapted is not acceptable to them, they may decline it, but is it not their duty to so educate their representatives that there will be no policies issued under which they are compelled to deny liability should a loss occur?

Business Given Through Friendship Is Decreasing.

It is probably fair to assume that the average person who engages in the local agency business does so without having had the benefit of previous experience in fire insurance. He receives detailed instruc-

tions from his company as to how daily reports should be prepared, when and how remittances are to be made, maximum lines, prohibited risks, etc. These are unquestionably points with which he should be familiar, but they are of little value either to himself or the company unless he is able to secure business. The proportion of fire insurance that is placed with an agent through friendship or sentiment is rapidly decreasing, and competition is developing along the lines of pointing out to an insurer how to improve his property to obtain the lowest rate and the preparation of a policy that will meet the conditions surrounding it. Consequently, the company which educates its agents with particular reference to these two features will certainly reap the reward of an increased premium income.

As to how this may best be accomplished is for the companies to determine, but certainly the most potent factor in such a movement is the special agent. Coming in contact, as he does, with hundreds of local agents, his opportunities for contributing to their knowledge are unlimited, and there is nothing which he could do that would be of greater assistance to them in obtaining and retaining business. An hour or two spent in the discussion and explanation of some particular point in rate-making or form-building would be of infinite value to the local agent, and should he later be able to obtain a new line, or save an old one, on that particular issue, he would be indeed ungrateful, did he not divert a share of that business to the company whose special agent had given him the information.

It may be urged that the local agent who desires instruction and advice should ask for it, whereupon the special agent would be only too willing to enlighten him. This is no doubt true, but, contemplating the magnitude of the subject, it is difficult to know where to commence an interrogation. Still, if the local agent would acquire a clear understanding of one new point from each special agent who visits him, he would soon become a formidable competitor for any line of insurance, no matter how large or how complicated.

I am pleased to acknowledge that we are already indebted to the special agent for innumerable helpful suggestions and much excellent advice, which has always been tendered in a kind and tactful manner that none could fail to appreciate. Therefore, it is with a feeling of sincere gratitude to the special agent for his cheerful, friendly cooperation in the past, that, on behalf of the great fraternity of local fire insurance agents, I echo the sentiment of Oliver Twist, "Please, sirs, we want some more." (Applause.)

The President—Owing to the lateness of the hour, I think we will adjourn until tomorrow morning at 10 o'clock, and the first paper to be read in the morning will be Mr. Spencer's paper on "Insurance Brokers' Associations."

We will adjourn until ten o'clock tomorrow.

Second Day

WEDNESDAY, January 12, 1910.

The meeting was called to order at the morning session by the President, Adam Gilliland.

The President—Gentlemen, we first listen this morning to a paper from Mr. D. A. Spencer on "Insurance Brokers' Associations." Gentlemen, Mr. Spencer. (Applause.)

INSURANCE BROKERS' ASSOCIATIONS.

By D. A. Spencer

Your president has honored me with a request to write a paper on the brokers' associations, and in a weak moment I consented. If you feel that your time has been unwarrantably imposed upon, the fault is his and not mine.

In obtaining material I tried to find out what other brokers' associations had accomplished, and learned, somewhat to my surprise, that the Insurance Brokers' Exchange of San Francisco is the only brokers' association in the United States. There are many other organizations of insurance producers, some of which include brokers, but in all of them the broker has but little standing. So that in writing of brokers' associations I am compelled to confine myself to the story of the Insurance Brokers' Exchange of San Francisco.

The great fire of 1906 taught the companies, brokers, and the insured some valuable lessons, and that there was something more required of a broker than collecting premiums and commissions. Hundreds of unfortunate victims of that great conflagration were put to great trouble and annoyance, and some of them to considerable loss, because they had placed their insurance through inefficient hands. While the majority of the companies were doing all in their power to treat the insured justly, some of the companies had representatives who used their best endeavors to reduce the liability to the lowest point. The first class welcomed the aid of the competent broker in making intelligent claims, and the claimant who had to deal with the second class was fortunate if he had a competent broker to assist him. The competent broker knew his client, was well informed as to the

property insured, and knew the rights of his client under his policy contract.

Competition.

Before the fire, the insurance producer who gave his time and best endeavors to his work had a horde of competitors for his commissions. Every barber, blacksmith, street car conductor, or other honest worker who had two or more friends with insurable property was an insurance solicitor. The competition was so keen that rebating became universal. Companies bid for business, and commissions soared to unwarranted heights, in some cases going as high as 40 per cent. It is conceded that the demoralization was very great, and many of the more thoughtful among both managers and brokers were seeking a remedy. With all the extraordinary expense, the business was very profitable, and it was difficult to bring about any reformation.

The earthquake and fire gave us all a jolt. It brought about such conditions as caused the old slate to be wiped out and a new start made. City agencies and company solicitors were abolished. All property owners were anxious for full insurance, and much of it was placed direct with the companies, but the great majority of the insured sought for brokers who were competent to assist them wisely.

The Exchange Organized.

In this time of stress and confusion a few of the conservative brokers, believing the time was ripe for organization, formed the Insurance Brokers' Exchange. Its objects were to confine its membership to those legitimately devoting their time and best efforts for the interests of their clients, and to maintain good faith in their dealings with the companies.

The companies recognized the value of such an association, and gave it hearty support. Their rules were so amended as greatly to restrict the class eligible for brokers' certificates. It is estimated that prior to the fire between 1200 and 1500 persons were receiving commissions from the companies for placing insurance on San Francisco properties. Before the Exchange was organized this number bid fair to be exceeded under the old rule of the companies providing for the issuance of brokers' certificates. Under the new regulations the list has rarely reached the five hundred mark. In this reduction of numbers greater opportunity has been given the members to receive some material reward for their labor, but the benefits have been more far reaching. In the restriction of the list the

Character of the Membership

has been greatly improved. The fact that their relationship with each other and their dealings with the companies is being carefully scrutinized, has been a restraining influence with the most careless among its members. The companies are having little or no difficulty in getting their premiums when collected, and the old evil of rebating has been reduced to a minimum. The members recognize the necessity of giving good service to their clients, and assisting the companies by an intelligent description of the risk offered.

Education in the detail of their adopted work is offered to all new members, and gratefully accepted by many. The idea, however, still prevails among too many of the members that the principal thing is to secure an order to place insurance, and receive the commission when the premium is paid, leaving the detail to the companies. The Exchange is gradually but surely improving this condition. Its members are giving more thoughtful study of the insurance contract and educating their clients in the same direction. This latter feature is one of the most valuable assets of a successful broker, and the educational effect of association in this feature of the business is having a potent influence upon the majority of the members.

Educating the Insured.

It has long been true that the average insured estimated the value of the policy contract by the amount of premium paid. Insurance was a tax, and the smaller the tax paid the greater the satisfaction. It was possible, but not probable, their property might be destroyed by fire, and as the probabilities were so remote almost anything in the way of a policy contract would do, provided it was cheap. In spite of the severe lessons taught by the fire, some of the insured still hunger for cheap insurance without regard to quality. Under the old conditions the solicitor, agent, or whatever he may have been entitled, pandered to this sentiment among property-owners. Now the members of the Exchange are striving to convince their clients that their insurance contracts are to indemnify them against loss of large sums, and that great care should be taken in making the contract and selecting the other party to it.

Reputation of the Broker Is Improved.

The come-together spirit now actuates members of almost all classes of business or occupation, and when conducted upon broad lines, looking to the betterment of the condition of its members without oppression of the general community, is to be commended. It is

along these lines that the Insurance Brokers' Exchange of San Francisco was founded. The occupation of an insurance broker is an honorable one, in whatever line of insurance he may be engaged. Through his instrumentality thousands of people have been protected from financial loss and mental distress. Belonging to an organization pledged to correct practices, gives tone and character to the employment. In the "before-the-fire" times the fire insurance solicitor, with rare exceptions, ranked with the pedlar. The well-equipped broker is now considered a specialist to whom large and important interests are confided.

Brokers' associations will not make every broker a competent insurance man, any more than having a diploma from a law school will make a good lawyer, but the fact that the broker is brought into close association with his fellow-brokers is a stimulant to his ambition to become worthy of the title he bears.

Organizations of insurance producers, whether of agents or brokers, should be encouraged if formed on conservative lines. The object sought to be obtained by such associations must always be for good faith between the members, and a higher moral tone in their business. The broker or agent who recognizes his obligations to and who keeps faith with his fellow-members of such associations is always a reliable middleman between the insured and the companies.

Mutual Good Faith Between Companies and Brokers

An item in a late insurance journal states that "The Insurance Brokers' Association of Chicago has been organized to protect the interest of the brokers against companies and their agents." That organization starts out with a chip on its shoulder that may or may not be warranted, but calculated to cause the antagonism of the companies at the start. Brokers are an efficient aid to the companies and should have reasonable protection from the companies in all matters pertaining to the legitimate business relations between them. The broker is not absolutely essential to the companies as a producer, but if he is eliminated some other and less satisfactory corps of producers must take his place. When a brokers' organization insists upon the business of the companies being managed its way, then it is time for the companies to refuse to do business with its members. On the other hand, having formed a working agreement with the companies, there should be absolutely good faith on the part of the companies, which the employees of the companies too frequently fail to keep. Too many of us mortals are struggling too hard for success at the expense of moral character. The broker who can not refuse to give a rebate

to secure a line, and the manager or other employee of a company who knowingly accepts risks from, and pays commissions to, persons in violation of his agreement with the brokers, belong in the same class of moral weaklings.

Successful Three Years' Trial.

The Insurance Brokers' Exchange of San Francisco has had a three years' trial of the advantages of a brokers' association. With an average membership of 500, some of the members have taken their obligations lightly, but the great majority have kept the faith. The past three years have been years of abnormal conditions. Rates have been high, with resultant large premium income and commissions. As conditions become normal, and premium income reduced, the temptation to get business at any cost may prove too great a strain upon both companies and brokers. I have faith that both the companies and brokers will stand the test and defy the devil. The loyal support given by the companies to the Brokers' Exchange for the past three years has inured greatly to the advantage of the companies. Commissions have been kept within reasonable limits, premiums collected by brokers promptly paid to the companies, and the general type of the producer much above the average prevailing before the Exchange was organized. If the Exchange continues to get this support in full measure, I believe it will continue to be an effective element for good in the fire insurance business of San Francisco. (Applause.)

The President—We surely all appreciate Mr. Spencer's paper. Some of us are brought into closer contact with San Francisco organizations, the local associations here, than others. But even to those who are not familiar with it, I am sure that this paper will be of value. There are very few, if any, represented in this Association, with the exception, perhaps, of our honorary member, Mr. Wilson. Have you any remarks to make, Mr. Wilson, on the paper?

Mr. Wilson—No.

The President—We will then proceed to number 7 on the programme, entitled "Underwriters' Laboratory, Incorporated," by Mr. George N. Robertson. (Applause.)

Mr. Robertson—Gentlemen, I did not choose this subject. It is a subject that I hope, however, you will find it worth while knowing something about, as I think I have found it worth while writing about.

UNDERWRITERS' LABORATORIES, INCORPORATED.

By Geo. M. Robertson.

The necessity of having some authority capable of examining with all the care possible, and applying to this examination all the scientific information available, various devices used for preventing fires or extinguishing them, is the reason for the existence of "Underwriters' Laboratories, Incorporated." This institution began in its present shape in 1901 and works under a charter granted in November of that year by the State of Illinois, authorizing the corporation to establish and maintain laboratories for the examination and testing of appliances and devices, and to enter into contracts with the owners and manufacturers of such appliances and devices respecting the recommendation thereof to insurance organizations.

This seems like a rather summary statement of the end and purpose of the Underwriters' Laboratories, but it covers a multitude of activities.

In the first place, the great variety in kinds of devices to be tested necessitates skilled examiners in many branches. To meet this demand there are: A chief engineer and eight assistant engineers, a consulting engineer, an electrical engineer with two assistants, a chemical engineer, and an engineer and three assistant engineers for the investigation of gases and oils, that is to say, eighteen highly trained specialists, all of whose time is given to the purposes of the laboratories. This is the working force which actually comes in contact with the devices submitted. A manager of wide experience and varied attainments with a suitable office force completes the personnel of the institution actually conducting its chief work, that is to say, the work forming the basis of its activities.

The maintenance of the laboratories, aside from this staff, is guided and provided for by a board of directors numbering eleven, with the chairman, who is also president of the corporation. Twenty-three agents located in the principal cities of the United States, and two in Canada, attend to the inspection of work being done under the auspices of the laboratories, and it may be said that this work is now being done all over the country. The laboratories are guided in their experimental work by specifications based upon the rules and requirements of the National Board of Fire Underwriters as recommended, respectively, by the National Fire Protection Association, the Underwriters' National Electric Association, and the committee of consulting engineers of the National Board.

Aside from those expenses of the laboratories borne by the various associations composing the National Board of Fire Underwriters, the financial support is derived from fees paid directly by those persons who wish to have their devices tested, and from the sale of labels to be attached to articles manufactured in accordance with the rules and subject to the inspection of agents of the laboratories, as will hereafter appear.

Three committees, that is to say, committee on devices and materials, 30 members; electrical committee, 12 members, and the consulting engineers of the National Board of Fire Underwriters, 15 members, supervise the details of the technical work at the laboratories.

The Underwriters' Laboratories is quartered in a three-story and basement brick building of ample size; there is also a large yard space for accommodation of apparatus for testing beams, burning fire doors and windows, and applying destructive fire tests to building material for walls; for performing, in a word, all those tests requiring large space and free air.

A very interesting feature of the building itself is, that the best methods of fireproofing are exemplified in its construction, each of a number of steel frame, wired glass windows, for instance, having been built by some manufacturer of windows and placed in the wall in an approved manner, there to exhibit the maker's skill and afford a standard of comparison for persons interested in the art of fire protection. Floors and walls also show what approved construction is, and the whole is equipped with a modern automatic sprinkler system.

Generally speaking, there are three classes of tests. 1st. Devices for utilizing dangerous fluids or compounds. This includes electric fixtures and material, and lamps, engines, gas generators, etc., employing acetylene or gasoline and other inflammable compounds, and containers for storing or transporting them. 2nd. Materials or structures used in the construction of buildings and supposed to prevent fire from spreading by opposing to it an inert substance non-combustible itself and incapable of being destroyed or put out of service in the time during which a fire of ordinary intensity might be expected to last. This category comprises all the various roofings, building materials, sashes, doors, also paints and washes supposed to retard combustion. 3rd. Devices to be used actively in extinguishing fires after they have actually begun; in this class are fire hose, chemical extinguishers, pumps, automatic sprinklers and valves with their accessories, all sorts of alarm mechanisms, thermostats, etc. This is a rough classification, of course, and is merely suggested as showing the kind of work

done by the laboratories and its extent. I may say that is not the classification of the laboratories.

Most of these tests result in the destruction of the object tested, as it is only by seeing how long the thing lasts under exposure to fire that one is enabled to say how valuable it is, or to assign it a comparative rank in the list of devices resembling it, this last object being, if anything, the more important of the two. Bearing this in mind, it is easy to see what an amount of work is involved in receiving this material, destroying it, noting at the same time all of the features of the test, removing it and then reporting results and publishing them.

Testing automatic sprinklers, for instance, involves quite long periods of time before the actual test. During this time these devices are exposed to corrosive agencies similar to those encountered in manufacturing processes carried on in the premises to be protected by the sprinklers, sulphuric acid, hydrochloric acid and corrosive fumes of all kinds; these factors being likely to cause the sprinklers to fail by sealing them so thoroughly that they fail to open promptly, or else to cause them to become sources of loss without the presence of fire simply by opening through disintegration of the solder which seals them, and distributing water over stocks of goods susceptible to water damage. The element of time is of interest in the estimation of the values of much material and apparatus, as defects not noticed when everything is new develop in nearly every case and are sometimes perceived only by observation in the field. For instance, one device having for an important component part a cylinder containing a quantity of quicksilver bearing an iron float, which was relied upon to open or close a small valve as the level of the mercury changed through the action of the apparatus, developed quite a serious defect, which no one could have possibly foreseen, through the tendency of the mercury to leak out through a joint apparently quite sufficient to hold it. This occurred in a sprinkler alarm valve, a type of apparatus which, while inspected with considerable frequency, is nevertheless relied upon to work automatically, and a defect of this kind is naturally of the greatest importance. Of course this defect was corrected before any harm was done, but its occurrence shows what watchfulness is required and how difficult it is to cover every detail with sufficient completeness to make the result practically certain.

It may be of interest to consider some of the tests made by the laboratories in the course of their work. Devices for preventing the entrance of fire to a building are as important as anything concerning our problem of fire control can be, and among those devices the steel-

framed wire-glass windows occupy an important place, which is evidenced by the number sent in for examination and the number actually made.

This test is made in an oven, in reality a small room, one side of which is formed by a panel of brick wall in which the sash is set exactly as it is placed in the wall of a building. This panel separates the oven or room in which the imitation conflagration takes place from the space reserved for those conducting and observing the test, they being in a position of people who would witness a close exposure fire from a room of the building exposed. Gas is admitted to burners in the furnace and there mingles with air brought in under pressure from a blower. A satisfactory mixture for producing by its combustion the desired temperature is obtained by controlling this admission of air and gas by suitable inlets. The method of measuring the temperature of the fire chamber, which goes as high as 1700 degrees, is ingenious. It consists of two loops of copper pipe suspended there with water circulating through them, with one thermometer for measuring the temperature of the water as it enters the coil, and another for measuring the temperature of the water as it leaves the coil, the difference between these temperatures, in other words, the rise in temperature of the water due to its passage through the coil suspended in the furnace, indicates the average temperature of the furnace itself. Care is, of course, taken to keep the water moving uniformly through the pipe. As the temperature in the space separated from the fire by the sash, and occupied by the observer, is not nearly so high as that in the furnace, it is measured by means of the ordinary thermometer. A somewhat spectacular indicator of the quantity of heat is obtained by hanging in front of the sash and at distances respectively from it of eighteen and thirty-six inches, strips of cotton cloth and burlap. As the temperature rises and the sash gets hotter, both radiating heat and allowing it to pass through it, these strips of combustible fibre become more and more discolored and finally burn up. The time it takes them to reach this point is of course noted, and serves with other observations, as a basis of comparison. During the hour consumed in making this test, a very interesting series of changes occur in the sash, the glass itself cracks almost immediately, the putty burns with much smoke, and the metal part of the sash turns red and twists one way or the other, the glass gets soft and bulges, tending to fall out of the groove holding it in place. When the time is up, the panel of wall enclosing this sample is run out of its place into the yard by means of a track with trolley and a fire stream played upon the sample. This

stream comes from a nozzle of which the tip is 20 feet from the sample, water pressure at base of nozzle about 50 pounds. The behavior of the sample under this treatment is also noted, and if the sample goes through the test without being too much distorted and without having the glass forced out of the frame by the hose streams, it is considered as having sufficiently demonstrated its work. Frequently, however, in fact nearly always, some defects are revealed by the test; if these are easily remedied, the proper instructions are given to the maker, who may, by adopting them, secure the acceptation of his device.

Tests of sprinkler heads are of several kinds. These devices are plunged into hot water and the rapidity and certainty of their opening noted. Those heads intended to resist temperatures higher than the boiling point of water are plunged into hot oil, the fusing point of heads to be installed in dry kilns, cracker bakeries, and potteries being as high as 360 degrees.

These tests are followed by tests in which the sprinklers mounted on pipes and subjected to pressure are exposed to hot air in an oven and the various circumstances of their opening noted. When these tests have been applied to new clean heads, they are repeated upon heads which have been exposed to the corrosive influences already noted, or which have been coated by being whitewashed or calcimined. A number of heads are then tested for their resistance to mechanical injury from blows or shocks which tend to alter the relative positions of the parts of the sprinklers to each other, and so accelerate or retard their action. When these tests are finished there is very little about the device which is left to the imagination.

In hose tests the composition of the rubber forming the rubber lining is analyzed and the proportion of substances forming it noted, a certain percentage of pure rubber being insisted on. After this the twist and tenacity of the cotton yarn or thread of which the outer covering is formed is examined and checked. In unlined linen hose the weave is of great importance, as the shrinking of the thread due to wetting will cause the spaces between threads to open up and leak altogether too much if good care is not taken to weave the fabric in the proper way.

It appears at a glance that results of tests made with such thoroughness should have a greater scope and lead to more fruitful application than is the case in many instances, where the results of very complete investigation disappear entirely in elaborate reports, and are practically lost. In furtherance of this idea, and by way of crystallizing information obtained and conclusions reached at the time of test, reports

embodying what is practically a log of the tests, together with a recommendation of those who have made the test, are submitted to certain committees, composed, with reference to the scientific standing and representative character of their members. These committee members, scattered for the most part over the country and therefore unable to meet for the discussion of these reports except at rather long intervals, return their votes in writing and final action is decided by these votes.

Having thus supplied to a representative body of members the data of a test, with comments upon its salient or remarkable features, coupled with a recommendation as to the relative position the tested device bears to the standard with which it is compared, and having received from these members a decision, the laboratories are ready to take the next step. This step depends naturally upon the vote received from the committee. If such vote is favorable, the manufacturer is authorized to attach to his manufactured device a label which signifies that the article bearing it has been manufactured under the observation of inspectors of the laboratory, that it conforms to the rules and specifications adopted for the type to which it belongs, and that under proper conditions it will do certain work. The label which he is authorized to attach is supplied to him by the laboratories' agent. He pays therefor a small sum, varying from 50 cents to $1.50 per thousand for goods which can be tested by machinery, or which are made by machine and produced in such numbers that tests of a number of samples of each day's output give a fair knowledge of the product.

Where the product is made by hand and requires inspection or test of each individual piece, the labels cost from 7½ cents to 25 cents each; thus the label for a steel window frame for wired glass is 20 cents.

It will be seen from this statement that the cost of the label is absolutely negligible as far as any effect upon the final cost and selling price of the article itself is concerned. It seems necessary to call attention to this because of statements made by makers of articles not equal in merit to those made under the rules, and hence not to be compared with them in efficiency. If the vote received from a committee is unfavorable, good reason being given, the manufacturer is informed of the nature of the criticism, and the shortcomings of his article are pointed out to him, thus enabling him to correct them if that is possible. In either case, whether the vote is favorable or unfavorable, a card is published stating either that the article is accepted, or listed as it is called, or that certain criticisms, naming them, are made. From time to time a list of acceptable devices is

published, giving the name of the manufacturer and location of factory, and these lists are distributed quite freely, permitting in this way the general public to know which things have been made under the best conditions and which have not.

Just here it seems to me not amiss to describe the actual nature of an inspection, or rather, series of inspections, necessary to assure one's self that the rules are being carried out and a standard product obtained. There are being conducted at the present time such inspections in San Francisco for several manufacturers of steel-frame wire-glass windows and tin-clad fire-doors. When the manufacturer gets an order for standard fire doors he notifies the laboratories' inspector, who takes up with him the preliminary questions of size of opening, kind of track, type of sill; then, when the actual manufacture begins, the lumber is inspected as to its dimensions and condition, seasoning, manner of nailing and kind of nails, and space separating them from each other. The nailing done and the core, as the inner wooden part is called, finished, the tin to be applied is examined and the manner of making the lock joint, kind of nails to be used, and their spacing and exact location with respect to edge of sheet, inspected. When all this has been done, there still remains the question of hanging, location of track-sustaining bolts in the wall, location of hangers sustaining door, and the various bumpers, latches, weights and accessories which assure that the door will be tightly closed and firmly held in position against the wall when occasion shall require it. It may seem a simple thing to construct a fire door and hang it in accordance with the rules, but I am constrained to say that before the advent of the laboratories' inspection in this city, I had never seen a tin-clad wood fire door or shutter made right in all particulars, and very few which even approached that state. When you consider that there have been distributed at least 10,000 pamphlets, drawings and specifications covering this particular device in the last ten years, the statement just made may seem remarkable; it is true, nevertheless.

The secret of the difference between a door or other device made by some person, of the best intentions, perhaps, but without guidance, and the door or device made by some other person whose intentions may not be the best but who has to maintain a standard in order to have the label testifying to that standard, lies in the careful, persistent, continuous inspection, no point being overlooked or taken for granted. In other words, the thing manufactured is either standard or it is not standard, and no amount of good intention excuses a poor performance.

It will be apparent, I think, that the work just described is of the

utmost importance and can be made of the greatest use, not only to the insurance organizations who compose the National Board of Fire Underwriters and direct its energies, but to the country at large. Where else can be found such a mass of carefully conducted experiments, all made with the sole object of ascertaining the fire hazard due to the use of inflammable but widely distributed materials, the manner of storing and handling them with the minimum risk, and finally, the means of controlling most promptly those fires which occur from time to time in spite of all precautions? The value of this work is now generally recognized, and many owners and some architects interested in the construction of important and expensive structures are beginning to take advantage of it.

It is very desirable, however, to spread this information as widely as possible, and particularly to encourage the use of apparatus which is known to be standard, that is, capable of withstanding a well-determined test, or capable of offering a certain definite resistance to the spread of fire or equal to some certain effort in its control; and the insurance fraternity can do more perhaps to spread this knowledge than any other body of men in the country.

I wish to lay particular stress upon the absence of uncertainty in these results; under given conditions there is no doubt of what will happen. This being the case, there can be no excuse for failure in applying our knowledge, and the application of this knowledge is the only means of checking the enormous fire loss which occurs with such monotonous regularity year by year. (Applause.)

The President—When I requested Mr. Robertson to read a paper on this subject, which has proved so very interesting, it was in furtherance of the educational idea of our institution. Though some knew something about the laboratory, and some more than others, I am sure that we are all enlightened and instructed by his address this morning. I know that Mr. Robertson will be pleased to answer any questions asked or any suggestions that any person wishes to make for further information.

Mr. A. M. Brown—Mr. President, it is very evident from Mr. Robertson's paper that the storage of goods in too close proximity to wire glass windows which may be subject to a heavy exposure fire would be extremely dangerous. I would like to ask Mr. Robertson if there is any data available as to the radiation of heat from the window?

Mr. Robertson—No, Mr. Brown, there is not any exact data available about that. You may recall, if you visited the Western Electric manufactory on Folsom street, which went through the fire, that the exposure fire blistered the paint on wooden partitions and posts at about ten feet distance from the window. There is not any data, as far as I know, covering the distance at which that effect will occur. But I should say that, within a distance of ten feet wood and light materials would be almost surely burned, if thoroughly inflammable, if the fire lasted an hour. Of course, that would be an extremely difficult thing to say. I have no doubt that the laboratory will in due course publish some figures upon that point.

Mr. Gibbons—May I ask what particular benefit would come from using that wire glass?

Mr. Robertson—The principal benefit is this: that it enables a man to stand behind it and fight the fire and keep things cool or move them away, and then it prevents the actual passage of the flames. Even with the severe test which I have described, which is an extremely hard test, the window is almost universally intact, at the end of it, and it is a further fact that you can have a temperature of 1700 degrees Fahrenheit on the exposed side and use an ordinary thermometer on the other side, not staying there, of course, but going there from time to time and taking such precautions as may be necessary. Those windows do not however, prevent the radiation of heat, and the better way to make assurance doubly sure would be to have both the wire glass and shutters. A tin-clad wooden shutter or a tin-clad wooden door does not radiate heat—you can have all kinds of fire and it will not radiate heat. That is not the case with the rolling steel shutter, which will radiate heat. The wire glass really allows the heat to go through. The Kinnear shutter or steel shutter gets hot itself and then radiates heat—no heat passes through it. It is simply the heat which it has absorbed and radiates through having become hot, whereas the wire glass only allows the heat to pass through it. The steel frame radiates some heat. So the best measures would be to adopt both the wire glass and the shutter,

and I do not know of any better protection. Then if you can arrange some sort of a sprinkler situated so as to throw water upon the sash, you will be perfectly sure.

Mr. Kinne—Mr. President, it seems to me that something is due to Mr. Robertson for presenting us so valuable and exhaustive a paper as he has done. It has certainly taught us all something that we never knew of before. I, when I see anything go, always want to know what makes it go. I know more about this matter, having listened to this paper, than I did before, and I think we are all in the same position. I therefore move a vote of thanks be tendered to Mr. Robertson for his very valuable paper.

The motion was seconded and unanimously carried.

The President—With a great deal of pleasure, I report to you, Mr. Robertson, the thanks of the Association.

Mr. Robertson—I thank you very much, gentlemen.

The President—We will now listen to a paper entitled "Rent, Leasehold, Use and Occupancy, and Profit Insurance," by Mr. C. C. Kinney. (Applause.)

Mr. Kinney—Mr. President and Gentlemen: This paper which I have prepared is upon a subject originally assigned to Mr. Wilson Pierce, who was called to Los Angeles to make his home, and he kindly suggested to your President that I be substituted, so that I rather appear in the light of a second agency, as it were, with limited restrictions, and limited rent, leasehold, and use and occupancy insurance. I was particularly glad to have this subject assigned to me, however, because I have had a good deal of experience with profit insurance and with use and occupancy insurance, and I was also glad to have an opportunity to read the paper, because it gives me the opportunity of introducing myself to the motive and locomotive power of the insurance fraternity of the Pacific Coast.

RENT, LEASE-HOLD, USE AND OCCUPANCY, AND PROFIT INSURANCE.

By Mr. C. C. Kinney.

These four classes of insurance have been grouped under one general head, but an analysis of each shows a very marked difference both in form and effect. Rent and lease-hold insurance are similar only in that the hazard assumed is for the loss of income to property damaged or destroyed by fire, rent insurance running to the owner of the building, while lease-hold insurance protects the lessee under varied conditions and exigencies, but neither has any general relation to use and occupancy or profit insurance.

There is to some extent a relation between use and occupancy and profit insurance, the one insuring a given, determined or proven profit, the other insuring an absolutely unknown quantity.

Instead of discussing these subjects generally, let me present some of the merits and demerits of each in the order named. I have not gone back to the coffee house in London, where insurance is supposed to have had its origin, and followed its development and evolution to inform you when these classes of insurance were first introduced. Suffice it to say they are with us and must be treated with intelligence and caution.

Rent Insurance.

This class of indemnity has grown to one of considerable magnitude and is looked upon with favor both by the insurer and the insured, and, when written under proper form, has proven exceedingly lucrative. And why? First, because it is almost invariably under police and fire protection. Second, because it is, almost without exception, free from moral hazard, as the premises are usually under the control of and in the possession of the tenant and not generally accessible to the insured. Third, because the measure of damage is easily ascertained and often yields a better salvage than stock or building.

In my investigation of the subject I have found nearly a dozen different forms, some short and ambiguous, others long, with the same defect, while others have been made broad enough to cover every contingency, and evidently prepared to land the business. But experience and litigation have modified and broadened many of these forms. From all of them I have set down here the one which, in my judgment, is the most equitable to assured and company; which expresses, briefly but clearly, the intention of the parties, the one which insures the loss of actual rents; in other words, a form which covers the

actual rents at the time of the fire, and requires co-insurance to the extent of such actual rental, but does not cover any portion of the property unrented at the time of the fire. It is almost precisely the form in general use on this Coast. It is as follows:

Rent Policy Form.

$.....On rents of the.....story.....building with.....roof, situate.....

.....

It is understood and agreed that in case the above named building or any part thereof shall be rendered untenantable by fire, this company shall be liable to the insured for the actual loss of rent ensuing therefrom, based upon the rentals in force from the rented portions of the premises at the time of fire, not exceeding the sum insured.

Loss to be computed from the date of the fire for the time it would require to put the premises in tenantable condition, excluding from such time such portion thereof as may be consumed by a strike or by any other delay beyond the control of the insured.

In consideration of the reduced rate at which this policy is issued the insured stipulates and agrees to carry insurance on said rents in an amount equal to the annual rents of said premises, and it is understood and agreed that if at the time of fire, the aggregate amount of insurance upon said rents shall be less than the actual annual rentals at the time of the fire, the insured shall be held to be an insurer in the amount of such deficiency, and in that event shall bear such proportionate share of the loss.

Other insurance permitted.

Attached to policy No....of the.....

Dated....., 19....

....., Agent.

Lease-Hold Insurance.

This class of indemnity is more complicated than rent insurance, because it covers more varied interests. It insures the "middle man," so to speak; it insures the profit, if you please, between what the lessee pays to the landlord and what he receives from the tenants to whom he sub-lets, or it may insure his interest as lessee, or it may insure the interest in a building erected by the assured on leased ground. The objections to this class of insurance are many, and I shall only refer to a few of them.

First: You can readily understand that insurance of this character is often tainted with a moral hazard on account of the lessee wishing to be rid of a bad bargain.

Second: On account of contracts which may exist between the landlord and lessee and not divulged by the policy.

The latter objection could probably be overcome by proper form, but it has been the subject of much expensive and extensive litigation, and we do not seem to have learned by experience. Nearly all of the lease-hold forms which I have examined contain a clause of this character:

"It is a condition of this insurance that this company is liable only in case of such destruction by fire of above-named premises that the lease held by the assured shall by its terms be cancelled. This company shall then be liable to pay the amount hereby insured."

This clause, you see, refers to a contract or lease which is not set out in the policy, and this lease often contains objectionable and dangerous provisions to the insurance company. For instance, I find leases with this provision: "In case of the destruction of the premises by fire, this lease shall cease and be terminated." Suppose the lease had three years to run and the building could be replaced in four months; the lessee could collect insurance to the amount of three years' rent if he had that much insurance, regardless of the time it would require to rebuild the destroyed property. This might seem to you an isolated or exaggerated case. I assure you it is not. I find lease-hold policies are constantly before the courts of the various States, upon questions never contemplated by either the company or the assured, before the fire, and made the subject of litigation by the ingenuity of some attorney. The peculiar conditions surrounding the majority of lease-holds are such that no one or half a dozen general forms will cover all of them, and each particular kind of lease-hold requires a form to fit the special conditions of each case. I cannot, therefore, submit to you a form for general use, but suggest when a lease-hold proposition is submitted to you, to investigate thoroughly every phase of it. Read carefully the lease, be sure every possible question of moral hazard is eliminated, prepare your form with the utmost care—then let the other fellow write it.

Use and Occupancy.

This class of insurance has become quite prevalent in the East, particularly with manufacturing plants, and I also find it being introduced on this Coast. I do not pretend to say that use and occupancy insur-

ance should not be written, but I do maintain that it should be most rigidly scrutinized as to moral hazard, rate and form.

The purpose of use and occupancy insurance is to indemnify the assured against loss of income during the time required to rebuild or repair the property damaged by fire. The measure of damage is based upon three hundred working days a year and a given average amount of income or profit per day. This, however, varies according to the particular kind of product manufactured. If we were issuing use and occupancy insurance on an ice plant, which operates all the year around, we would first ascertain what was the profit for the year previous. Finding it to be $30,000, we would issue a policy based upon $100 a day as the maximum liability per day during the time the plant was put out of commission on account of fire, subject, of course, to not less than the 80 per cent co-insurance clause.

Use and occupancy is also written on manufacturing plants which only operate a portion of the year. For instance, a beet sugar factory only operates about four months a year. If a fire occurred just at the beginning of a season, the profit for the year is gone. If fire occur at the end of the season, there is really no loss of profits, so in cases of this kind we determine the profit from the previous year or years, then divide it into 100 parts, being the actual working days of four months, and insure one-hundredth of the profit per day for four months.

Again, you find manufacturing plants where the profit varies each of the four or six months they are operated, beginning, we will say, with a profit of $3,000 for January and reaching a maximum profit in April of $10,000, and graduating down to $2,000 in June. Under such conditions the liability is specified by months, as follows:

Maximum estimated profit, January	$ 3,000
" " " February	5,000
" " " March	7,500
" " " April	10,000
" " " May	5,000
" " " June	2,000
Total	$32,500

Now, then, the assured takes out a policy of insurance on January 1 for $32,500 for six months, and on April 1 there remains but $17,000 liability under the policy; on May 1 only $7,000 liability, and on June 1 only $2,000 liability, yet the company is receiving a premium for six months on $32,500. Under this form a company can afford to write the business at much less than the fire rate, and this very form is, to

some extent, responsible for the inadequate rates generally secured on this class of insurance.

In many portions of the country where use and occupancy insurance is written, the rate is from 50 to 75 per cent of the fire rate. Here is another pitfall we have encountered in determining an adequate rate upon this class. The generally accepted theory is that 75 per cent, or as low as 60 per cent of the fire rate, is adequate for use and occupancy. Let me show you the fallacy of this theory.

We have a manufacturing risk composed of two brick warehouses detached; the main manufacturing plant and the power plant. The warehouses are rated at 50 cents, the manufacturing plant at 1.25, the power plant at 1.75; the average fire rate is 1 per cent; use and occupancy, 60 cents. Now, if the power house burns, what is the result? You are sustaining a los at a 60 cent rate by the burning of a 1.75 risk. Recollect, if either of the warehouses rated at 50 cents were to burn, you have no loss, because the plant is not prevented from operating by the destruction of these warehouses. Then again, you are absorbing your line at 60 cents to the exclusion of a straight fire line at $1. You might just as well insure household furniture in a frame hotel at a detached dwelling rate.

Another feature of the use and occupancy insurance that must be considered, is the fact that many manufacturing plants use complicated and unusual machinery. Sometimes a small amount of fire will damage this machinery so that it is impossible to operate the plant until new parts or new machinery have been received from some distant factory, and a small loss of 3 per cent under the general schedule may cause a 30 per cent loss under the use and occupancy policies.

I am free to admit that there are able underwriters who will tell you they have made money on use and occupancy insurance at 60 and 75 per cent of the fire rate, and, on the other hand, I can find men of equal reputation who will not write the class at any getable rate.

Use and occupancy is too modern and produces too small a volume of premiums for the experience and classification of any one or half a dozen companies to form an intelligent opinion, but in the absence of this experience, which is difficult to secure, do not our own deductions, taken from the physical facts, teach us that any rate less than at least the average fire rate is inadequate? Is it not true that in almost every manufacturing plant the greatest hazard lies in the power-generating portion of the plant, and is it not true that this portion of the plant usually takes as high a rate as any other portion of it, and is it not also true that the destruction of the power plant immediately

levies a heavy assessment upon the use and occupancy policy? The argument will be advanced that in some cases the power plant is rated lower than the factory, and that my argument fails. I admit it in some instances, but let us transfer the hazard to the manufacturing plant. Can it be sucessfully contended that the use and occupancy policy is not in equal jeopardy with the fire policy when the factory burns? I think not. As I said before, the damage to intricate and complicated machinery may cause a greater loss in use and occupancy than under the fire policy.

Then again, by writing this class of insurance, furnishing the assured with this further protection against loss by fire, you are to some extent inviting carelessness on his part.

This brings me to the last, most complicated and, to my mind, dangerous class of contract issued.

Profit Insurance.

This class of indemnity is modern, as compared with rent insurance, and is yet in a crude state. As I said before, it is to my mind the most dangerous policy ever put into the hands of an insured, and should be discouraged by every underwriter from whom it is sought. Profit insurance, you might say, creates a moral hazard, and yet, this is a harsh term to apply to honest people, so, instead of saying it creates a moral hazard, let me coin a term and say it produces or creates a human nature hazard. We find an individual or a corporation operating a manufacturing plant, I care not whether it is fruit packing, foundry, wood-worker or winery, the conditions are the same. The buildings and machinery, tools and implements, raw material, product in process of manufacture, manufactured product, goods sold but not delivered—in fact, everything upon the assured's premises—is insured for its full value. Now, in case of loss, what does he lose? The profit on the goods unsold and those that could be manufactured during the rebuilding of the plant. Just here, profit insurance introduces itself and says, "Why lose anything? I will protect your profits." It is purchased. When that man or that corporation has paid to insurance companies premiums for assuming these hazards, and in his mind he has paid more than he should, the rate is always too high, I say it is human nature for that individual or the officers of the corporation to be careless, indifferent, and sometimes criminally negligent of the proper safeguards against fire. These men are only human, they have nothing to lose, they have paid a soulless corporation to assume their worries; they are your troubles, not theirs. To my

mind, absolute indemnity from loss by fire to the insurer, creates a much less desirable risk than when the property is not quite so well protected, and in which the owner sustains some loss in case of fire.

I have only touched upon profit insurance on manufacturing risks. The same argument will apply to almost any character, and if the length of this paper would permit, I could show you where mercantile establishments have been able to collect profit insurance on goods burned and time and profit alleged to be lost, when within less than thirty days this concern was in a new location with new stock, making a new profit, with the profit on the burned stock, the profit on the supposed enforced idleness reposing to their credit in the bank.

The preparation of a form for this class of insurance is most difficult; as you can readily see, it requires almost a different form for every line of business, and I shall not attempt to suggest even a skeleton form. On the other hand, I would rather here express my emphatic disapproval of profit insurance. I thank you. (Applause.)

The President—Gentlemen, we have a short paper before we adjourn for the morning, on the subject of "State Regulation of Insurance Rates," so I hope you will remain with us. Is there any discussion of the paper we have just heard read?

Mr. Sexton—Mr. Chairman, I want to say a word upon this paper. It is new, and it is one of the best papers we have ever had. We have not had very much of that character of business here. But there was a rent case here, where the policy read, "$12,000 on rents, a thousand dollars a month." A loss occurred. In following the wording of the policy, the company deducted from the rents the elevator man's expense, the commissions for collecting the rent, the janitor's fees, and other expenses that the owner of the building would have had to incur to get that $12,000. The lower court held with the company. But that lower court did not read the policy. It went to the supreme court, and the supreme court said the contract was for $12,000, and there was nothing said about those expenses, and the supreme court gave the claimant judgment. I think $12,000 is the figure. I did not hear anything in the form read to us by Mr. Kinney regarding the deduction of the expenses. We, as business men, would suppose that that would be deducted, and it is barely possible that the Board of Fire Under-

writers have made a form providing that the rents shall be net, or, if they have not, it is possible the Board of Brokers have made such a form for them. I am not so sure about the latter. I think that that part of it should be taken into consideration in rent matters, that there should be a deduction, and that the man should not get the full face of his rents without a deduction for expenses.

Mr. Watt—I am very glad indeed that this very interesting subject has been presented. I think we may as well recognize the fact that the tendency is to full protection. About the first policy of this kind I remember seeing was a form on sugar beets in the field. The policy was written that the company would only be liable in the event of the destruction of the factory at about the time the beets would become ready to be used, when of course they would be useless, because they could not ship them. We looked askance on that, because it seemed insuring consequential damages, which was a term very prominent before the underwriters twenty years ago. Nobody wanted to insure consequential damages. But we have gradually drifted into issuing practically valued policies. All the sugar policies now are issued at the full market values, and you know what trouble you have with them, and so with the lumber policies, and under practically every decision you get out of the courts, you are paying for the full market value instead of the cost of production. This method of insuring use and occupancy and profits is relatively a new branch of business, but it is quite popular, and on the other side, in England, profit insurance has become quite the thing, and lately it is very much more dealt with on their side under "Profit Insurance" than on our side in "Use and Occupancy Insurance." It is believed by our English friends that the use and occupancy forms used in this country are about the loosest contracts that have ever been drawn, while the profit insurance on the other side is very carefully safeguarded. It does not appear that there is any good reason why a great corporation, we will say, with a large number of stockholders, many of them perhaps widows or estates and those who are dependent upon income from that corporation—why they should be deprived of the regularity of their profit through the accident of a fire; and the profit policy is generally adopted by a prudent

board of directors on the other side, if not in the first instance, then after they have had one loss and lost the profits of the year. When they rebuild, they will insure profits so as to guarantee their dividends. Besides that, a great many of them have very large bonded indebtedness, and by the insurance of their profits in addition to the actual insurance on their plant, they are prepared to meet the interest on those bonds and to pay their dividends. So I think you will find that this class of business—doubtless it will be more and more safeguarded, and more and more scientifically handled—is something that you will have to deal with, especially the younger men in this room, in the course of your business life. (Applause.)

Mr. President—I will ask the Secretary to read the paper which appears under the heading of number 9 on our programme, entitled "State Regulation of Insurance Rates," which I think is a very timely subject for discussion.

STATE REGULATION OF INSURANCE RATES.

By an Eastern Underwriter.

Kansas and Texas have enacted laws authorizing their officials to fix rates of fire insurance, mandatory on all companies admitted to those commonwealths. Whether such statutes are constitutional, the courts alone can determine. It is solely from an economic standpoint that the subject is considered in this paper.

In the East there is a well-defined impression that the movement for State regulation was not the result of public demand, and that, where in force, it owes its adoption largely to the active support of local agents. In Kansas and Texas rate demoralization had long existed and active competition had adversely affected the individual interests of agents. The public was already getting insurance at minimum price. When it was proposed to adopt a measure which would effectually prevent rate-cutting, agents welcomed the prohibition as a panacea for their ills. That their view was short sighted and that the relief is bound to be temporary is a sentiment which is fast gaining ground. In the mind of legislators rate-regulation means rate-reduction. Already in Kansas material reductions have been directed by the insurance superintendent, on grounds which underwriters regard as unjustifiable and arbitrary. Agents generally begin to realize that when a rate is reduced the commission is necessarily reduced in like proportion, and

they are coming to appreciate that a public interested in the question of insurance cost will quickly become concerned in that portion of the cost which is represented by the amount paid the agent for his services. The largest individual expense of the business is commissions and, where state regulation of rates is attempted, agents are in serious danger of having their compensation reduced by law. Franklin H. Wentworth of Boston, secretary of the National Fire Prevention Association, says:

"State interference will not stop at the regulation of premiums. In the desire to protect itself from impoverishment the public will soon regulate agents' commissions also. If it thinks it can save a dollar or two by passing one law, it will attempt to save a dollar or two more by passing another and it will keep on passing laws until it blunders upon the real cause of its impoverishment. The temper in which such legislation is undertaken is seldom judicial. A legislative consideration of the local agent's function might not do him justice, as it does not do his companies justice. It might conclude that the risks assumed and the service rendered by the agents do not warrant his present share in the fire tax; that premium taking is not service which should be paid for," as least as liberally as now.

It therefore seems likely that should other States consider the adoption of rate-regulation there will not be the same strong advocacy of the measure by local agency interests. If the system is to be extended, it is probable its extension will be due to some demand on the part of the people, misled by the precedents already set.

Let us inquire why this may be so. There is a specious plausibility about State-regulation of rates which appeals to the ordinary property-owner and his legislative representative. These are deceived by a mistaken analogy between fire insurance companies and public corporations such as railroads, which have received franchises, special grants or monopolistic privileges from governmental bodies. The right to regulate the charges which the latter class of corporations may make for the service they are bound to render the public has long been recognized as an accepted principle of law. It is overlooked that an insurance company is a private corporation, free to trade with whom it please. If the company may decline to deal at all with any particular individual, it follows that it also should be free to name the terms on which it may choose to risk its capital.

Rates Simply Reflect the Enormous Loss.

The idea that State rate-reduction is equitable is encouraged by the belief of each individual that the particular rate paid by him is ex-

cessive. The fact that insurance companies may be doing a losing business in the aggregate, avails little against the common feeling which causes each man to regard his own as a particularly "safe risk." It is always other people whose rates should be increased to meet the general deficiency. Furthermore, fire insurance companies, notwithstanding their scrupulously honest discharge of contract obligations, are not beloved by the people. The popular conception of the companies is as collectors of the insurance tax, and when was the tax-gatherer ever popular with his customers?

Overlooking the fact that, from the peculiar nature of the fire insurance business, association on the part of companies reduces expense and lessens loss consumption, thereby lowering the cost and necessary price of insurance, the public regards co-operation between fire insurance companies as constituting a trust and is led to consider State rate-regulation simply a means to curb extortion.

What is the remedy? From one point of view it is not surprising that the public is restive on the subject of fire insurance premiums. It is undeniable that these constitute a serious tax on the wealth of the people. But the rates charged are simply the reflection of the enormous loss consumption of the country. In the United States the loss per capita of population is eight to ten times that of European countries, and rates must respond accordingly. In America we have carelessness, poor building laws and an absence of effective public opinion on the subject of fire prevention. The people of the United States are obliged to face the direct result of their indifference to the fire hazard and are wincing at the penalty. As Mr. Wentworth says, "The growing tendency of State interference which is developing in the West is nothing more nor less than a protest against the financial impoverishment of the nation by fire. People claim that the fire tax is too high. It is too high—but how can the fire tax be remedied except by attacking the cause of it * * * ? The intent of State interference today is not to regulate rates. It is to reduce them; it is to reduce them irrespective of the loss ratio. This action can have but one result. It will force the companies who mean honestly to pay their losses to retire. Their retirement will affect credits and sooner or later the commercial classes will fall upon the legislatures with hammer and tongs and force them to abandon what they have so blunderingly undertaken."

The legislative outlook, unless good counsel prevails, presages peril to fire insurance companies—and consequently to the public. If the commercial disorder which Mr. Wentworth describes is to be avoided, State regulation of rates must be prevented and the best method of

prevention is education. The public and the law-makers must be made to understand.

Reasons Why It Is an Economic Fallacy.

In the limits of a single paper it is not practicable to state at length all the reasons why State regulation of rates is an economic fallacy, but some of these may be summarized as follows:

(1) It is obviously illogical that a party who accepts financial liability, depending upon his charges to make his promise good, should have the amount of those charges regulated by a third party incurring no part of the responsibility.

(2) Fire insurance is an extremely technical business, the experience acquired in a business lifetime often being insufficient to insure success. For the judgment of interested experts State regulation substitutes the dictum of State officials, generally inexperienced men, holding office for short periods, subject to political influence and constantly under temptation, to cheaply acquire public favor by arbitrary reduction of insurance prices.

(3) In passing upon the reasonableness of rates State officials would be slow to admit the propriety of increased charges based upon losses incurred outside of their own State. The tendency therefore would be to weaken the foundation of the business by substituting for the present broad average of continental experience a number of narrow, uneven bases—each State willing to load upon others any excess losses of its own classes, while unwilling to assume its share of the burdens of other fields.

(4) Underlying the whole argument for State dictation of rates, and vitiating it, is the assumption that an insurance superintendent or a judge can tell what is a proper rate. Classification cannot determine the question and, in the last analysis, basis rates and deficiency charges are, and must be, based on judgment. But with this judgment goes obligation to stand net loss when rates prove inadequate. Until such time as the State shall warrant the correctness of its officials' opinions, how can it justly require companies to stake their capital on official inerrancy?

(5) State regulation is not needed for public protection. For the past decade the fire insurance business of the United States has been conducted at an average net loss to the companies. Besides, the field is open. Anyone who thinks the business offers profit can quickly organize a company. No expensive plant must be acquired, as in the case of a manufacturing concern, or right of way as in railroading.

It is merely necessary to raise the amount of capital required by law. The ease with which new companies can be organized effectually prevents the maintenance of undue prices for insurance.

The public shauld be taught that insurance companies want safe risks, not high rates, and are anxious to co-operate in reducing the consumption of national wealth by fire. It must be made to appreciate that high rates are simply a sympton and that the disease calling for treatment is the excessive fire waste of the country. If the disease be overcome, the symptom will promptly disappear. While the cost of insurance remains as at present, no authority, legislative or otherwise, can reduce its price, but let the fire waste be reduced and no power can prevent corresponding reduction in the rates of insurance. Whenever there is prospect of profit at lower figures there will be companies, old or new, eager to do business at reduced prices. (Applause.)

The President—As the hour for adjournment has arrived, we will defer the remainder of our programme until this afternoon at 2 o'clock.

AFTERNOON SESSION.

President Gilliland called the Association to order at 2 o'clock.

The President—Gentlemen, it is with great pleasure that I now announce to you that we will have a paper from the able pen of Hon. T. C. Coogan, on "History of the California Standard Form of Fire Insurance Policy." Gentlemen, Mr. Coogan. (Applause.)

Mr. Coogan—Mr. President and Gentlemen: Just after you adjourned this morning, I was coming through the hall and I met Colonel Kinne. I saw him again a few minutes ago, and the Colonel said to be sure to be on hand at two o'clock to read my paper. I told him I was going to the barber-shop, but that I would be on hand. He said, "That's right. I want you to look pretty. The success of papers in our Association depends a good deal on how a fellow looks." So, keeping that injunction of the Colonel's in mind to look pretty, I will proceed.

HISTORY OF THE CALIFORNIA STANDARD FORM OF FIRE INSURANCE POLICY.

By T. C. Coogan.

It may not be inappropriate for me to preface this paper by a brief statement of the subject generally. At an early day in this country, the growth and magnitude of the fire insurance business made manifest the evils consequent upon the use of different forms of policies. The question of the enactment of a law making compulsory the use of a uniform form of policy was agitated in the Eastern States for many years and, finally, Massachusetts took the first step and adopted such an act in 1873. Other States followed, notably, New York, and the result was that in a large number of the States, legislation of a similar character was enacted. The form prescribed by New York was, in substance, that adopted in most of the other States, a few of them

prescribing in express terms that the New York Standard Form should be used.

The desirability of having a California Standard Form was discussed by the people of our State for many years, especially by those actively engaged in the fire insurance business. The first legislation upon the subject was undertaken at the thirty-third session of our Legislature, which convened in January, 1899. Senator Samuel Braunhart of San Francisco, on March 12 of that year, introduced two bills into the Senate, which were referred to the committee on corporations. These were Senate Bills Nos. 177 and 178. By these it was proposed to add a new section to the Political Code and to the Civil Code. The first made it the duty of the Insurance Commissioner to prepare and file in his office, on or before the 1st day of June, 1899, a form of fire insurance policy to be known and designated as the "California Standard Fire Insurance Policy," and expressly provided that the form should, as nearly as could be made applicable, conform to the New York Standard Form. The second bill made the use of this form, when filed, obligatory, and further contained many provisions relating to the type, the insertion of a description of the property, the endorsements to be made thereon, and so on.

While these bills were pending before the Senate committee on corporations, the matter was taken up by a committee of the then Pacific Insurance Union. This committee was advised that the method of adopting a standard form prescribed in these bills, had been held unconstitutional in other States. The committee, considering it was incumbent upon them to call the Senate committee's attention to this fact, sent their general counsel to Sacramento for that purpose.

The reason that prompted the courts of those States to refuse to sanction this kind of legislation was, that it was delegating to the Insurance Commissioner, an executive officer, a legislative power, such power being vested by the constitution exclusively in the legislative branch of the State government. The Senate's committee referred to and the author of the bills, both concurred in the views thus advanced by the committee of the Pacific Insurance Union, that the courts, if called upon, would decide that the bills were unconstitutional. The result was the bills were allowed to slumber in the hands of the committee and were there when the Legislature adjourned.

For some years after this occurrence, as many of you will recall, the question of the adoption of a standard form of policy was frequently alluded to in insurance circles, especially in this city; but no

positive action relating thereto, so far as I know, was taken by the underwriters, or by any one.

After the great disaster of 1906, the question again arose. The newspapers of this city again and again called attention to it and urged the Legislature to take action. A great deal was said in the press throughout the State about reforming the insurance laws and adopting a standard form of policy. The New York Standard Form, which had been in use in this State for many, many years, was condemned by the press, and violent denunciations were made of many of its clauses, especially of what was termed the "earthquake clause," which had been in use by some of the companies. I quote from an article that appeared at this time in one of our leading newspapers, the "San Francisco Examiner":

"The entire business community of San Francisco is eagerly awaiting the coming session of the State Legislature at Sacramento, to see what will be done in the way of reforming the insurance laws. It is known that there are to be insurance committees, one of either House, and that several legislators have already come out as candidates for chairmanship and places on those committees. The insurance men are full of anxiety, for they fear drastic legislation that may curtail their emoluments, if it does not drive them out of business altogether. The merchants and others of the business community are in a state of uncertainty. * * * The insurance companies, separately and collectively, will have their men up at the Capital City; and, so far, they are agreed upon just one thing—that there must be a standard form of fire insurance policy for universal adoption. There is no solid agreement as to what shape this standard form shall take; many of the old insurance men, most, in fact, want the New York Standard Form. 'It has stood the test of thirty years,' they say. This old, complicated and lengthy form of policy appears to be regarded with a sort of reverence even by many property owners who take out insurance, but there are wise men who say that the day has come when another and simpler form should be adopted—one that can be understood by the insured as well as the insurer. It sounds like heresy, but in quarters where the question has really been studied, it is emphatically declared that the old New York Standard Form must go, must give way to one that gives fewer loopholes to the insurance company relying upon technicalities to evade obligation."

This quotation explains, quite correctly, the feeling that prevailed in this community upon that subject at that time.

The Insurance Commissioner of the State, according to an interview with him published in one of the local newspapers about this time, expressed himself thus while speaking of a contemplated form that he had in the course of preparation:

"It will be shorter and simpler than the New York Standard Form; it will be more like the policy in use by the State of Massachusetts. The New York Form is too cumbersome, too ambiguous; no policyholder can read it to understand it, while it is of too decided assistance to the insurance companies."

Interviews with prominent merchants and attorneys of this city were published. In one of the latter, the attorney assailed the New York Form and said, among other things:

"The 'fallen building' clause, for instance, is unfair and uncertain. * * * Another clause providing that if foreclosure proceedings are commenced with the knowledge of the insured, the policy is void, is too unreasonable to call for any comment at all. Then there is a clause providing that where a building remains unoccupied for ten days, the insurance ceases. * * * I consider, also, that the clause avoiding the insurance where the hazard is increased, is unfair, too severe. * * * Other unreasonable clauses in the New York Form, in my opinion, are the clause requiring the certificate of a notary that the loss is an honest one, the provision that suit must be filed within twelve months for the loss that is disputed, the clause requiring the insured to furnish plans and specifications and all sorts of particulars of his building."

In the fall of 1906, the commercial institutions of this city took up the subject and passed resolutions and sent out communications concerning it. The Policyholders' League was created here. It was an association composed of some of the leading business men of this city. The association appointed a committee to draft a Standard Form of Policy to be introduced into the Legislature. Andrew Carrigan, a prominent merchant of this city, was chairman of that committee.

About this time the League appointed another committee to confer with some of the leading underwriters of this city, upon this subject. A meeting was held at the Ferry Building. Joseph D. Grant, Andrew Carrigan and L. M. King were the committee that represented the League, and Rolla V. Watt, the local manager of the Royal Insurance Company; George D. Spencer, one of the managers of the Aetna Insurance Company, and C. D. Haven, resident secretary of the Liverpool and London and Globe Insurance Company, were present on behalf of the underwriters. A general discussion took place respecting

provisions of standard forms of policies. Mr. Edward F. Beddall of New York, the general attorney of the Royal Insurance Company of Liverpool, was present at this meeting and was called upon to express his views. He did so in an interesting manner and stated many reasons why he considered that the policy of California should be to adopt the New York Standard Form.

The Merchants' Association committed itself to the Massachusetts Form of Policy, with certain changes, and its secretary sent a communication to the chairman of the Policyholders' League that had this matter in charge. A copy of this communication was addressed to our lamented friend, George W. Spencer. Mr. Spencer took up the matter of this communication with the executive committee of the Board of Fire Underwriters and it was referred back to him by this committee, with a request that he answer it, which he did. The letter was an excellent one, written in Mr. Spencer's vigorous style, and clearly expressed the underwriters' views of the situation. It was addressed to Andrew Carrigan, Esq., Chairman, etc. Here is an extract from it:

"The companies are not opposed to an enactment of the Standard Policy; on the contrary, they will welcome any legislation calculated to render insurance contracts more uniform and easier of comprehension, especially by the assured. Nor are they, at the present time, wedded to any particular form of policy. The New York Standard Form seems to be regarded by California underwriters with a little more favor than any of the other forms for the reason that it has been in use here for many years and is, therefore, better understood both by them and the public than are the other forms; and, besides, the meaning of its provisions, to a greater or less extent, has been fixed by judicial decisions in our State and elsewhere. These reasons are, no doubt, entitled to considerable weight. I understand from this communication and the information you have given me, that the Policyholders' League, of which you are president, and the board of directors of the Merchants' Association of San Francisco have considered with favor a form based on the one in use in Massachusetts, with certain modifications. With your permission, I would make the following suggestions with reference to the form of policy proposed by you."

Mr. Spencer then proceeded to make many suggestions concerning the form submitted to him.

To such an extent had the agitation in San Francisco and throughout the State grown, that the political parties in convention assembled adopted resolutions favoring the passage by the Legislature of a law

establishing a Standard Form of Fire Insurance Policy. Here is an extract from one of them adopted by the Republican State Convention, which met on the 5th of September of that year, at Santa Cruz:

"We, therefore, favor the passage by the Legislature of California, of an act requiring that foreign insurance companies shall have substantial and sufficient deposit within the State of California, as condition precedent to the issue of licenses for transaction of business within the State, and that an act shall be passed prescribing a Standard Form of Fire Insurance Policy which shall be requisite to validate an assurance contract and which shall further protect all rights of the assured."

The Governor of the State, Hon. George C. Pardee, in his retiring message to the Legislature, which convened in January, 1907, took up the subject and said:

"One thing, however, that seems absolutely necessary to protect the insured in this State is a Standard Policy Form, which should be simple, concise and exact. Such a Standard Policy should not contain any provision which will, in any way, enable the company issuing it to rid itself of its obligations on account of the indirect effects of an act of Providence."

Hon. James N. Gillett was inaugurated on the first Monday of the last-named month, and in his first message to the Legislature he said:

"There should be a Standard Form of Policy providing against the loss by fire, explosion, collapse or earthquake."

Matters were in this condition when the Legislature convened at Sacramento on Monday, January 7, 1907. For the first time in the history of our State, both branches of the Legislature appointed committees upon "insurance and insurance laws." The members of that committee, on the part of the Senate, were Senators Leavitt (chairman), Belshaw, Wolfe, Lynch, Broughton, Price, McCartney, Bates and Curtin. On behalf of the Assembly, the committee were Drew (chairman), Stetson, Ludington, Hans, Lucas, Stanton, Fisher, Kohlman and Davis. On January 14, Senate Bill No. 21 was introduced into the Senate by the chairman of the Senate committee, Mr. Leavitt, and on January 15 a companion bill, No. 224, into the Assembly by Mr. Drew, the chairman of the Assembly committee. Each of these bills prescribed a Standard Form of Policy. It was understood that they were introduced at the request of the Insurance Commissioner and they were known as the "Wolf Bills." It will be recalled from the interview from which I have quoted, that the bill the Commissioner then had in preparation would be "shorter and simpler" than the New York

Standard Form. Hence it was, that when these bills were read by the insurance fraternity, these gentlemen were greatly surprised to note that the proposed form was longer than the New York Standard Form and, further, that it contained provisions that were, to say the least, quite novel.

On January 23, 1907, Senator Leavitt introduced another bill, No. 394, prescribing a different form of policy. It was modeled after the New Hampshire Form, which, by the way, was drawn after the Massachusetts Form. This bill was understood to have been prepared by Mr. O. G. Jones, and was known and spoken of as the "Jones Bill."

On January 23, 1907, the Senate committee organized. I quote from another of our leading newspapers, the "San Francisco Chronicle," of the day following, this interesting article:

"Such a dull thing as the organization of a senatorial insurance committee proved lively last night when Leavitt called his men together and proposed to hire O. G. Jones, an insurance expert, at a fee of two thousand dollars. Senator Curtin did not take kindly to the program and insisted on cross-questioning Mr. Jones. From the Senator's questions it was evident that he thought that the committee was entertaining unawares a disguised emissary of the insurance companies. Being assured by Jones that he had not touched the companies' case for ten years, Curtin proceeded to test the expert's idea of a square deal. 'What have you done?' he asked. 'Have you devoted yourself to finding out the parts of contracts which were against the companies when you were working for the insured, and to looking for points against the insured when you were working for the companies?' Jones replied that he had pointed out spots on both sides of the sheet. But Curtin, who was not satisfied, said that he wanted to give both sides a square deal. 'I am afraid of the man who tells me, practically, that he will work on the side of whoever employs him,' said Curtin when the expert retired. Belshaw laughed at this conception of duty and the niceties of ethics were discussed acrimoniously by the two solons for a quarter of an hour. It was then decided to engage Expert Jones, for he had assured the committee that he was not interested in any insurance company."

Mr. Jones' position during the session was quite a trying one, but on all occasions he treated the representatives of the companies courteously and fairly. He is now engaged as an independent adjuster in this city. He was formerly employed in the same capacity at Syracuse, New York.

The committees of both branches of the Legislature proceeded at

once to consider these bills. These two forms of policies were not the only ones they considered, however. In addition, they had before them many other forms of policies—one prepared by Henry Evans, the president of the Continental Insurance Company of New York City, one by Senator Curtin, and one by the underwriters of this city. This latter was prepared mainly by Wm. J. Dutton, W. H. Lowden and George W. Spencer, and forwarded to Sacramento. Copies were sent to the different offices, and criticisms and suggestions were invited. Letters concerning this form were written to Mr. Dutton by many of the leading underwriters, which letters were sent by him to Sacramento and read to the legislative committees. Among the writers were C. Mason Kinne, R. W. Osborn, C. D. Haven, Rolla V. Watt and W. H. Sexton. While these bills were being considered, the meetings of the Senate committee were largely attended. On one occasion, R. W. Osborn, of the Pennsylvania Fire Insurance Company, addressed the committee upon the subject of standard forms generally. His address was spoken of by those present as being a very able one.

The committee also had before them various forms of policies in use in the different States. They first took up the "Wolf Bills," but it was apparent from the discussion, at the outset, that these bills would not be favorably reported by the committee, and upon motion they were laid aside and the committee considered what was known as the "Jones Bill." This bill was discussed section by section. Amendment after amendment was proposed by the members of the committee, by the Deputy Attorney-General, by the Insurance Commissioner, and by the counsel for the underwriters. These amendments provoked discussion and the argument took a wide range. Finally, a joint meeting of the respective committees of the Legislature was held, after which the committees took action by rejecting all the proposed bills, and took up as a substitute for all of them a bill known as the "Committee Substitute for Senate Bills Nos. 221 and 394," which last-named bills, as I have stated, were known as the "Wolf Bill" and the "Jones Bill," respectively.

About this time a committee of the underwriters, consisting of William J. Dutton, Whitney Palache and C. D. Haven, was selected to visit Sacramento. These gentlemen went before the Assembly committee and argued against this "Committee Substitute Bill." This bill was amended many times by the committees. As thus amended, it was approved by the insurance committees and reported to both branches of the Legislature. This "Committee Substitute Bill" was again amended in quite a number of particulars in the Assembly and

these amendments were concurred in by the Senate. As thus amended, the bill passed both branches of the Legislature and was sent to the Governor.

A few days before the bill was put on its final passage in the Senate, the counsel for the underwriters prepared, as a substitute for the pending bills, a resolution that provided for the appointment of a commission to draft a Standard Form of Policy. It was to be composed of the chairmen of the respective insurance committees on the part of the Senate and the Assembly, and of five gentlemen to be appointed by the Governor. The contemplated resolution was shown to some of the leading members of the Legislature, but was not favorably received by them for the reason, as they stated, that they considered that some legislation upon this subject must be had at this session. Hence, it was not introduced. I recall very clearly the feeling of unrest and extreme dissatisfaction that prevailed in insurance circles at this time. This "Committee Substitute Bill" that had passed the Legislature was bitterly opposed by the underwriters. The result was that it was determined by them that an effort should be made to prevail upon the Governor to veto the bill. The opposition to the bill spread throughout the East and the managers of many of the companies communicated to the Governor by wire their intention to withdraw their companies from the State in case the bill should be approved. A committee of underwriters, consisting of Whitney Palache, Wm. J. Dutton, George W. Tyson and C. D. Haven, was appointed to visit the Governor. The meeting was arranged by their counsel. In granting them a hearing the Governor said: "I will be pleased to hear from the underwriters, but I wish you would say to them that they will have to present potent arguments to me why I should exercise the veto power, for the reason that this bill received most careful attention from the committees of the Legislature and passed the respective Houses by a very large vote. My inclination is to sign it and arguments to have me act contrary to my present inclination must be strong and satisfactory."

The committee met the Governor. There were also present the Insurance Commissioner and Mr. O. G. Jones. The Governor stated at the outset that he wanted to hear from both sides; to have the bill thoroughly discussed, as he recognized its importance, and that his desire was to act correctly and, hence, they need not hurry for he proposed to give them all the time they desired. The discussion proceeded, all the gentlemen present participating therein. The Governor made frequent notes during the arguments and it was quite apparent

to all present that the reasons advanced by the underwriters had made a deep impression upon him. As the meeting was about to close, the Governor said, addressing Mr. Jones: "Mr. Jones, were you to draft a new bill, after all the discussion you have heard before the committee and the arguments advanced by the underwriters, would you draft a bill precisely like the bill that is before me?" Mr. Jones replied something like this: "Governor, I would not. Some of the amendments made to the bill that I prepared, and which were incorporated in this 'Substitute Bill,' did not, at the time of their adoption, and do not now, commend themselves to me." This closed the discussion. A few days thereafter, Governor Gillett vetoed the bill. At this time there was published an interview with the Governor, in the course of which he said, in explanation of his action in vetoing the bill:

"The most serious objection against the bill is the 'rider clause,' which requires a rider limiting or reducing the liability of the insurer to be signed by the insured. This Standard Policy is opposed by all the banks and leading business men of San Francisco. The leading insurance companies of the East, doing business in the State, have telegraphed me against the bill, some claiming that they will withdraw their business from the State if the bill is signed. There is a great scarcity of insurance now, and it is difficult for the people to get all they require. I think it will be better for a commission to be appointed, composed of the representatives of the underwriters, the San Francisco Chamber of Commerce, the Board of Trade and the Bankers' Association, and the Insurance Commissioner and some expert to be selected by the Governor. Let them prepare a form which will be satisfactory to all parties concerned."

The next December, the Governor, following the idea outlined by him in the interview to which I have just referred, appointed a commission composed of Percy T. Morgan, president of the California Wine Association, representing the San Francisco Clearing House; F. W. Van Sicklen, of Dodge, Sweeney & Co., representing the San Francisco Chamber of Commerce; A. W. Wright, attorney, the Merchants' Association; E. R. Lilienthal, president of the Lilienthal Company, the Merchants' Exchange; Wm. J. Dutton, president of the Fireman's Fund Insurance Company, the Board of Fire Underwriters of the Pacific; Joseph Kirk, attorney, the Board of Trade; F. A. Cutler, attorney, representing the Governor, and E. Myron Wolf, Insurance Commissioner.

These gentlemen were of high standing, leaders in their respective walks of life. The commission held a great many meetings and pre-

pared a bill establishing a Standard Form of Policy, and made a report to the Governor. This bill was not the work of any one man, but was the joint production of all the members. It was considered, clause by clause, in a painstaking and thorough manner. The debates upon some of its provisions were quite interesting and showed that the members had studied the subject carefully. It would be invidious to give special prominence to any one member, but I think I express the views of those that are conversant with the work of the commission in saying that it was fortunate for the State that among its active members were a learned and careful attorney, Joseph Kirk; a practical, broad-minded business man, Percy T. Morgan, and an experienced and skilled underwriter, Wm. J. Dutton.

The bill prepared by this commission was introduced into the Senate on January 28, 1909, by Hon. J. Clem Bates, chairman of the committee on corporations, and referred to that committee. It was designated as "Senate Bill No. 706." In the Assembly it was introduced by Hon. Harry W. Pulcifer, and referred to the committee on "Insurance and Insurance Laws." It was known as "Assembly Bill No. 913." Over the objection and against the protests of the writer, the Senate committee, by a close vote, struck out the word "direct," as it appeared in the clause reading, "against all direct loss or damage by fire." This committee made a few other amendments. Some of these were made at the suggestion of a sub-committee of the commission, who visited Sacramento for that purpose. As thus amended, the bill was reported by the committee to the respective Houses of the Legislature and passed—in the Senate on February 26, 1909; in the Assembly, on March 11, 1909. Governor Gillett believed that the bill was an eminently fair one, both to the insured and to the companies. His attitude and his able and impartial treatment of the questions involved in the bill were largely responsible for its passage by the Legislature. He approved of the measure on March 23, 1909. By its terms it went into effect on August 1, 1909.

After its approval, a variety of novel and perplexing questions presented themselves to the managers of the companies. A committee consisting of R. W. Osborn, of the Pennsylvania Fire Insurance Company; Herbert Folger, of the Phoenix of Hartford; E. T. Niebling, of the Commercial Union; F. B. Kellam, of the Royal, and Walter Speyer, of the New Zealand, was appointed by the Board of Fire Underwriters to examine into these questions and report what changes, in their judgment, would be necessary in the conduct of the fire insurance business in our State when the act went into effect. The committee

made three reports, all of which were carefully prepared. In these reports, which were printed and circulated throughout the State, the bill was analyzed and its requirements were stated in detail. The work of this committee was well done and was greatly appreciated by the managers of the different companies.

As to the form of the policy itself, I refrain from expressing any opinion at this time. It is too soon to pass judgment thereon other than to say that it could be improved by amendment. It differs in some particulars from any Standard Form of Policy adopted in any of the other States, and the effect of many of its provisions will have to await judicial interpretation. You gentlemen represent the fire insurance business throughout the Pacific Coast States and Territories. It may be conceded that if standard forms are to be used therein, it will be to the advantage of all concerned that they be uniform. In your presence it may be proper for me to suggest, if the California Standard Form is found to be satisfactory after it reaches its ultimate shape by amendment and by judicial construction, that you see to it that your respective States and Territories adopt legislation that will make its use obligatory therein. (Applause.)

The President—Gentlemen, we have listened to a very interesting and instructive recitation of the history of the standard policy of California. I believe there is nothing to discuss upon the question. I think we have had a most competent person to give us the history. If any of you gentlemen feel that there has been anything misstated about which you would like to talk, we should be glad to hear from you.

Mr. A. M. Brown—A thing that suggested itself to me is this, Mr. President: Mr. Coogan has mentioned the names of three gentlemen to whom he gives credit largely for the work that was accomplished in regard to the insurance policy form. As a member of the legislative committee of the Board of Fire Underwriters I know and I think it is only right that all of the gentlemen here should know, that most of the good work that was accomplished in getting up the form of that policy was due to the man that has just read the paper. (Applause.)

The President—I will state that personally I am aware of the fact, and I am glad that Mr. Brown has now acquainted all of the other members with the fact as well.

We will now hear from Mr. Henry Hall, of Spokane, on the subject "Adjusting Fire Losses as a Business."

ADJUSTING FIRE LOSSES AS A BUSINESS.

By Henry Hall.

When our worthy president requested me to deliver a paper this meeting and I conferred with him as to the topic, he stated, of course, something about adjustments, qualifying this, however, by suggesting the avoidance of a technical subject, having possibly a doubt in his mind, and justly, too, as to my ability to evolve a technical paper in keeping with the traditions of this association. He then said, "Why not read a paper on adjusting losses as a business? I am quite sure you could manage that." This looked easy to me and in a weak moment I agreed.

On starting to write the paper, I began to wonder what I should say in this connection and I am still wondering, but heroically plunge in to say something, trusting to bring forth some thought worth while.

In the good old days when Hiram Tompkins was agent for the old Aetna, Jasper Wilson for the Hartford, and Bill Jones for the North America, and before the days of the daily report and special agent, the adjustment of losses was a very simple matter, as losses were nearly all total excepting in the larger cities. Competition then was between companies by their agents, not as now, in their agencies. In travelling around the country, today, we find a few of the old-fashioned agents who swear by the company they represent. We also find this kind of agent who represents several companies, but practically all the business goes to the one and only. He has, in a measure, become modernized but can not get away from the old traditions. The entire business under these conditions was transacted on honor. Gradually, however, conditions changed. Greed for business prompted more aggressive methods, resulting in congestion of agencies, sharp competition between companies in agencies and sharp practices by special agents to secure advantage. This necessarily resulted in more or less demoralization of the agency force and for some time a distinct moral inferiority was marked in the average agent which has, by no means, yet been entirely eliminated.

The advent of the special agent in the business marked the beginning of adjustment by other than local talent. This, in conjunction with the deterioration of the agency force, before referred to, and on account of which over-insurance and carelessness in writing forms became

prevalent, began to cause complex adjustments and in turn more or less friction. When an unfortunate special agent-adjuster did have trouble in satisfying some dishonest or unreasonable claimant, his competitors immediately saw a chance to boost their company and incidentally its business by hagging on its promptness in paying losses —very often without reason, as they had never paid any losses in the neighborhood or vicinity. Crimination and recrimination was the result, resulting often, in order to avoid unpleasantness, in lax and unsatisfactory adjustments.

Effects of Farm Business Methods.

About this period a certain coterie of companies got into very hot competition for farm business which, at that time, seemed to be the "golden goose" of the business. When a man developed into a successful farm solicitor, he was besieged by the various special agents in an effort to secure his valuable services. All kinds of inducements were offered him, and being wise, he played one against the other, until the farm business was so demoralized that any old thing went with agent, special agent and company offices. What was the result? The farm business was a reproach. To hold even, the adjustments were made in lump settlements with a salvage always in view, justly or unjustly. This method of adjusting was so easy and generally satisfactory in the farm department that, through habit, the special agent pursued the same tactics on other classes of business, the result of which was that many managers expected as a matter of course salvage on every adjustment. This ran along for some years, when mutual and other small company competition crept in, causing a reduction in rates without lessening the outgo for losses. Boards and unions were formed, competition kept increasing, expense ratios running up, and the public were educated to the belief that no fire insurance companies would pay any more than they had to, regardless of the merits of the case. This feeling ran so high in the middle West that ways and means were discussed pro and con by those interested in the business, to remove this feeling. Officers and managers of companies, insurance journalists, and the higher grade special agents earnestly seeking a way out of the trouble. Several papers were read at the annual meeting of the Northwestern Association in Chicago in an effort to arrive at some way in which to disabuse the minds of the public and demonstrate beyond peradventure their erroneous idea in the matter. This finally resulted in formation of the Committee on Publicity. Simultaneously, however, went on the good old-fashioned way of the adjuster

and his jump settlement which has been demonstrated to have bitten the company much more than the public; the adjuster frequently pointing with pride to salvages made when loss should have been total, forgetting the partial losses he had many times jumped at without knowledge as to who was the victim, and doubtless leaving the assured in the same ignorance, or what is worse, if the case was in his favor, a feeling of contempt for the adjuster who had evidently tried to get the best of the bargain without success, and naturally the same feeling toward the company. I am sure, personally, I would rather be found guilty of deliberately wronging a man and succeeding, than in making the same attempt and failing.

The Independent Adjuster.

During this period the independent adjuster was born. The stress of getting business kept the special agent busy, especially as a new factor entered the business,—that of inspections. The companies introducing this new element were laughed at and were standing jokes, but it was not many years until this was one of the chief parts of the special agent's work. Competition kept getting keener, profits lighter and the special agent's work heavier. It suddenly dawned on some of the managerial talent that it was a huge joke to have twenty or twenty-five special agent's work heavier. It suddenly dawned on some of the result of that period's wining, dining and conviviality had a more or less deleterious effect on the special's work the next week. The work was invariably done by one, two, or three of the more studious members of the assemblage, although quite frequently the man who did the least work would break in with no uncertain opinion near the finish and quite often break up the pleasant little party in a row.

Our infant, the independent adjuster, at that time, was, generally, individually, far from an infant. Generally speaking, he was a shelved manager of mature years and experience or one of the old-time and popular special agents out of a job, each with a stand-in with some of the managers. The result was one set of managers interested in a large loss would select one man, another set, another, and so on "ad infinitum." Then there were other managers who had more faith in their special agents and sent them; thus for many years still further increasing the expenses of adjustments.

The seed of specialization, however, was sown and on fertile ground, because, forging to the front from the ruck, loomed up occasionally the figure of a real adjuster. A man of force, honor, ability, penetration and suavity. Such men soon demonstrated the nonsense of conducting

an adjustment in gangs. Better results were obtained by the reform method of centralization, better satisfaction given the assured, and agents found it useless to butt in in favor of their usual best customer. This clan of adjusters built up an excellent practice as well as an enviable reputation. As time went on, however, it was remarkable how few adjusters of note developed. Chicago and all the cities of the middle West were blessed with innumerable so-called independent adjusters, not known out of their immediate surroundings. There must be some reason for this. A canvass of the special agents of today will show that ninety-nine out of a hundred will express a desire not to do adjustment work. It is quite likely that in the past the same proportion would have been obtained had the same care and detail been required by the managements as today. This not being the case, however, the ranks of the independent adjuster fattened up while the individual profits became leaner. In the absence of any pension system for superannuated special agents, assistant managers, or managers if you please, and the scarcity of good jobs in connection with boards, unions or whatever odds and ends might be discovered by influential friends of those fallen from grace, by misfortune, or unfortunate habits, the only chance to eke out a living by the unfortunate whose only business experience had been in connection with fire insurance was by opening up an independent adjusting office. I should very much dislike to bring vividly before this association the disappointments and hardships experienced by many of these. The inexorable rule of the survival of the fittest prevailed and still prevails. In the desperation incidental to the eking out of a precarious existence, we have occasionally, but rarely, heard of one succumbing to the temptation of dishonesty. When the large amounts of money involved is taken into consideration, it is wonderful that more cases of this kind do not develop and is certainly a tribute to the general honesty of those engaged in the business.

An Adjustment Company Organized.

In the late eighties, Mr. Frank Van Voorhis of the Phenix in Chicago organized the Western Adjustment and Inspection Company. Stock was placed among the managers of companies and every time a fire was reported in the daily papers, active solicitation was made for the business. Eventually, most of the large losses, tributary to Chicago, were given to this company. One or two branch offices were opened, as at St. Louis and Minneapolis. Mr. Van Voorhis resigned to take up adjustments on behalf of the assured, being succeeded by Mr. Woodard

of the Liverpool and London and Globe in Iowa. The business grew apace, and more branch offices were opened. Mr. Woodard died from overwork and was succeeded by the present manager, Mr. Mariner, who left the Firemen's of Newark. Under his aggressive management, branch offices have been established in nearly all the large cities of the middle West. The great difficulty now with that organization is to secure competent adjusters. This has been accentuated by the establishment of the General Adjustment Company in New York, and Atlanta in the South, as it has left only the middle West as a recruiting territory, and I observe the new Eastern organization is busy in the middle West also, securing talent. My observation shows that the principal losses are adjusted by the few extra competent men in the employ of the company. These are overworked and they do not last long. I could read an obituary list, for the last five years, that would surprise you. For this reason, it is difficult for this organization to secure the services of the best grade of active and successful adjusters.

The Adjuster.

It is patent that the available experienced man of company training is nearly exhausted, because of the reasons heretofore spoken of, changing the general class of the special agents' work, and the consequence is a new profession. The burden of training the adjuster for the future is placed on either the adjustment company or the successful adjuster. Unfortunately, the correct reading of the human character, the tact, diplomacy, knowledge of values of all kinds, ability to replace burned buildings, and all the other technical, mental and moral qualifications of the successful adjuster can not be taught by the method of the correspondence school. I may say, I believe, without contradiction, that an adjuster, like Topsy, "jest grows," or in other words, the ability to adjust losses absorbs itself under the epidermis by constant contact with the business, provided the subject has a liking for it and has the industry to learn the interpretation of the contract, and keep abreast of the times, generally. This looks like a formidable undertaking to the young man, especially as it is necessary for him to be equipped with an excellent general education to start in with. It is therefore quite natural for him to inquire what there is in it and what the ultimate reward.

It is difficult to convey to the outsider, or even to those familiar with loss adjustments, who do not continually practice the business, the physical and mental exhaustion produced by the constant contact with this most exacting business. I can conceive of no other, where

one is constantly up against the other man's game, which, even when the other side plays with honest intent, still has the dishonesty of self-interest and profit back of it. The adjuster has to keep squarely on the line of battle every minute, and retreat almost inevitably means a rout and the consequent dissipation of his employers' money, not in drops but in bucketfuls. This constant feeling of responsibility, alone, is sufficient to unnerve a weakling. The answer to the young man's inquiry as to what there is in the business is fifteen dollars a day and traveling expenses for every day he works. This, as long as he lasts. He may inquire if a good man gets the same pay as the mediocre or poor man. Without hesitation, the answer is in the affirmative. In fact, you inform him the independent adjuster is a member of the Adjusters' Union, which is different from any other trade's union, from the fact that he has no vote, no apprenticeship system and holy honors, no walking delegate, except the man who hires him. It differs not from other unions, however, in the question of the relation of pay and ability or its lack. If he is a member, no matter with what experience, fifteen dollars per day goes. If he is good, he gets more days' work; if poor, less. (Illustration.)

I rather apprehend that this arbitrary fixing of price descended from the day when the independent adjuster was a scarce article, and was alone for the purpose of an equitable exchange of special agency work. It is well known that in those days when special agents did do the adjusting, in each territory, the bulk of this work was tacitly done by two or three men especially fitted for it.

I venture to say that, working as an individual, as a rule, the independent adjuster under the present method of compensation makes only an average fair salary. Working on these lines, the business coming as it does by fits and starts, there are doubtless times when he can not take care of the work offered him and, as a result, competition keeps creeping in and multiplying, with the effect that during the inevitably dull season, with what work there is divided among the many, he is eating up what profit he makes during the busy time. With the equipment necessary to perform this exacting work to the satisfaction of the companies, this is not just to the individual; these qualifications entitling a competent adjuster to more than an ordinary salary. This segregation of adjusters, say in one city, makes it necessary for the adjuster to do most of the clerical work himself, work that could be correctly done by a clerk on ordinary salary. He must, however, charge his regular per diem in order to live. He can not employ a clerk on account of the already referred to dull seasons,

thus the expense of adjustments to the company is increased, this being particularly true of large losses with many schedules and a large number of proofs. A combination of two or more adjusters makes it more possible to keep clerical help and also to take better care of their patrons when business is rushing, therefore having a tendency to keep out undue competition. Still, the inevitable dull season stares them in the face and help's salaries, office rent and other fixed expenses must be met. There is quite a distinct advantage gained also in concentration of work in any district into large offices by the distribution of the various classes of losses. Like any other business, to be successful, there must be a head to it. This man should be thoroughly conversant with adjustment work, generally, and in addition should possess executive ability of the highest order. He would distribute the losses according to the various talents developed by his associates. One may be particularly strong on book and merchandise losses. Another's forte may be in building and machinery. Another's, damaged stocks; another's, the handling of suspicious or crooked claimants, and so on down the line. I can not emphasize too strongly the advantages of this kind of combination. This constant association also is bound, by the natural law of assimilation, to engender versatility as the close connection develops interchange of ideas not so likely to be so free among active business competitors.

This system, as advocated above, appears to be a plea for the bureau system, such as the Western and General Adjustment Companies. I emphatically say, "No!" I challenge you to show me a notable adjuster produced by that system. Those companies have absorbed, by competition, no doubt the best talent, have buried it and killed it. I have observed closely the workings and find among the younger men a mediocre development of talent. When a manager for a branch office is required, the country is raked over carefully and an outsider, not one of their own products, put in charge. These branch managers are so in name only and have very little incentive for ambition. The system outlined above by me engenders ambition. The youngest adjuster, under my system, preserves his individuality from the start, as I insist he shall father his own work, good or bad, and everything he sends goes out under his own signature. This is only fair to the companies, as they have a right to know who is doing their work. Mistakes are made by these young men, no doubt, as they often are with the old experienced heads. They are not likely to be so serious as if they all had to be fathered by the head of the office. A great advantage of this method of developing talent is the advantage of

interchange of opinions and discussion of methods pro and con. (Illustration.)

It will develop men capable of opening up offices in districts where good men are needed; men who are not experiments but who have demonstrated by their work under their own signature just what their ability is. Men who will be in demand and at the same time gratify their ambition which, after all, is the incentive to good and successful work.

In the development of this talent, insistence must be made on careful detail from the smallest to the largest losses. I have been often told that it is useless to furnish such minute detail, as the head offices never go over it; that the general result is what the companies are looking for. I emphatically disagree with this view, as, by my own experience, I have found if any papers were turned in from our office, lacking their usual care and detail (as occasionally will inevitably occur), we have been jumped on, in no uncertain way, showing that the loss departments are not inclined to pay for a "pig in a poke" and rightfully expect to know why the companies pay out their money. Losses can not be intelligently passed on or the quality of the adjustment criticised without minute and careful detail before them. The detail has to be gone through to get the correct result and the additional expense for typewriting and postage is very slight. If, after examination, the companies do not desire to furnish storage for the various schedules, they can easily be disposed of by the waste paper basket route.

When a well regulated young man gets married and starts a household, one of his first thoughts and ambitions is to own his own home. A young man rightfully constituted who enters the insurance business has the ambition to become a manager. If he enters the adjusting branch he should have the ambition to become a boss adjuster. If the inspection branch, a chief inspector. Either one of these goals are worth striving for or at least should be, otherwise the entire fabric is wrongly constructed. In any branch of fire insurance there are numbers of positions worth while striving and enduring for and I believe there is no branch so attractive to the thoughtful man as that of adjustments, provided he has the temperament of firmness and patience and will carefully study the complex make-up of the human being as well as the (to me most attractive) diverse technicalities of the various businesses on which he is called to judge. It is much more attractive to me than the law, with which I have dabbled somewhat.

Many claim that the independent adjuster has not been treated with sufficient dignity by the managers. My observation shows that this feature absolutely depends on the adjuster himself. If he takes his profession seriously he will so be treated by all concerned.

In order to make a success of adjusting fire losses as a business, the following items are essential:

Proper preparation for the business.

Careful selection of location.

Industry.

Proper equipment, possible only by securing sufficient business.

Careful attention to detail.

Promptness in attention to correspondence.

Deference, but not slavish obsequiousness, to the employing managers.

Full, but not excessive charges.

The last item may seem to the novice to be the most important, but without the other requirements, very little opportunity will be offered to make use of this requisite.

A subject such as this leaves room for much discussion, and I confess that during the writing of this paper I hoped and still hope that those interested will dissect and criticise it to the end, that the many advantages of the business of adjusting fire losses may be prominently set forth in its best light to the young man contemplating taking up the business as an avocation. (Applause.)

In this matter of discussion, there are quite a number of independent adjusters here, perhaps more than usual at this meeting, and I think it would be quite proper to let them have something to say about it.

The President—Following up Mr. Hall's suggestion, I will call upon any independent adjuster, or any other member of the Association who feels particularly interested in the subject, to give us his views, either concurring or dissenting. Have you anything to suggest, Mr. Meade?

The Secretary—No; the subject is very well covered.

The President—Gentlemen, I will now call for the report of the committee on the President's address and the Executive Committee.

Mr. Weinmann—Mr. President and Gentlemen of the Association. The committee on the President's address begs leave to report as follows:

REPORT OF COMMITTEE ON PRESIDENT'S ADDRESS

Insurance Club—

We recommend that the committee appointed to outline the scope and objects of the proposed Insurance Club and to secure signatures to an agreement to become members thereof, be continued during the current year. Such an organization, with headquarters among congenial surroundings, possesses advantages for the more frequent use of our library. Until this project is in definite shape, the present arrangement, by which we are permitted to maintain the library in a convenient location without expense for rent, through the courtesy of the Board, cannot wisely be changed.

Insurance Institute—

We regret to differ from the President in his view that there is no obvious necessity for the Insurance Institute. Expressions of underwriters manifestly endorse the object of the Institute being a most necessary adjunct of the business. We recommend that the Insurance Institute, started under such favorable auspices in 1905, be reorganized during the coming autumn. The number of intelligent young men engaged in the insurance business has been largely increased during the past five years, and there is a desire on their part for better training. On the other hand, managers and others in high positions have less time than formerly for the encouragement and help of their subordinates. There is danger that many of our capable young men will fall short of future requirements from the lack of proper direction in their efforts to improve themselves. As our offices grow larger, it becomes necessary to divide them into departments, and the proportion of clerks in a large office who can estimate correctly, the rate on a mercantile risk under Book 4 is far below that existing ten years ago. Those who can apply the brick mercantile schedule in use by the Board with some hope of getting a result close to that which would be obtained by a Board surveyor may be counted on the fingers of one hand. The Institute aimed to give training of the most practical kind to our clerks, but managers and special agents who attended the sessions derived no little benefit from them.

Associate Members—

We recommend that, as suggested by the President, the feature of the associate membership be given more attention; and that the Executive Committee adopt a resolution prescribing the requirements for such membership, which shall be drawn so that it may be submitted to this Association at the

next annual meeting as an amendment to the constitution. This should include an age limit, below which membership may not be granted, and the payment of dues, which might be $2.50 per annum, should allow associate members the use of the library and should relieve them from any additional fee for attending the Insurance Institute when reorganized.

Making the Program—

The President has emphasized the fact that but few of our number have managerial duties, that "upon special agents and adjusters devolve grave responsibilities," and that these are the persons who come in direct contact with the public.

It must not be forgotten that this Association was organized by special agents for the interchange of views, opinions and personal experiences and the discussion of topics of interest to the profession. While there can be no question as to the value and expediency of calling upon managers, editors, scientific experts and others, for occasional instructive addresses, yet we are constrained to believe that the prime object of the Association is the improvement and development of its own members.

In reviewing the proceedings of this Association for a number of years past, we regret to observe that the spectal agent is becoming less each year a factor in the writing of these papers, and we earnestly trust that succeeding administrations will keep in mind the basic principle of the organization, and that effort will be made to develop the material within the ranks of the Association. Your committee urges the field men, who form a great majority of our membership, not to neglect the opportunities to prepare papers on subjects of common interest, and to take part in the discussions upon them. A gathering like this, calling for the expenditure of much thought, time and money, will have fallen short of its chief purpose if it fail to develop the material within its own ranks.

While your committee has differed slightly from the views of the President in certain recommendations made, yet, generally we are in great accord with the admirable address, which it has been our pleasure to review. (Applause.)

Committee: LOUIS WEINMANN
HERBERT FOLGER
R. W. OSBORN

The President—Gentlemen, you have heard the report of the cemmittee on the President's address. What is your pleasure?

Mr. Folger—Mr. President, I move that the report be adopted.

The motion was seconded and unanimously carried.

The President—We will now hear the report of the committee on the report of the Executive Committee. As I am just informed that that committee is not at this moment ready to report, we will hear the report instead of a committee which was appointed at the last annual meeting, which report will be read by Mr. Folger.

San Francisco, Cal., Jan. 12, 1910.

To the Fire Underwriters Association of the Pacific—

The undersigned beg leave to report in connection with the following resolution, adopted at the last annual meeting of this Association:

Resolved, That a committee of three be appointed to correspond with the Fire Underwriters of the Northwest, and the Insurance Societies of New York, Philadelphia and Hartford, and others of like character, with the view of bringing about some co-operation for the publication of papers of common interest, upon the plan followed by the Insurance Institute of Great Britian and Ireland; that the commiteee be instructed to urge the preparation of an annual volume containing a paper furnished by each society and additional papers of merit and interest, receiving the unanimous approval of the co-operating societies; and that if a plan can be formulated and adopted during the current year, the committee be empowered to pledge the co-operation of this Association, and with the approval of the Executive Committee, to agree to the payment of our share of the cost of publication.

Immediately after adjournment, your committee corresponded with other Associations, and learned that similar correspondence had been initiated by the Fire Insurance Society of Philadelphia. As the result, a meeting was held in the latter city on April 23, 1909, which was attended by personal representatives of the Fire Insurance Club of Chicago, the Insurance Society of New York, the Insurance Institute of Hartford, the Insurance Library Association of Boston, and the Fire Insurance Society of Philadelphia. This meeting resulted in the formation of "The Association of Insurance Societies and Institutes of America," the object of which shall be the discussion in annual conference of subjects bearing upon the welfare of the several societies and institutes, and through co-operation and free interchange of views, to add to the efficient operation of each individual body. A copy of the constitution is attached to this report.

During the discussions at the Philadelphia meeting, the following suggestions were made and adopted:

First—That the editors of the papers and bulletins of the several societies exchange all information relative to the work which each is doing and so far as possible publish same in their respective bulletins.

Second—That the conference consider the desirability of the publication of an annual volume to be made up of papers and addresses selected from those delivered before the several associations during the year.

Third—That so far as possible at each regular meeting of the governing bodies of the several associations, matters pertaining to the conference be discussed and suggestions relative thereto be made.

Fourth—That the conference consider as soon as may be advisable the preparation of a set of examination papers covering the several branches of insurance and the drawing up of courses of study for the same.

Fifth—That the conference consider the advisability of publishing a list of current insurance literature and catalogues for use of members.

Sixth—That the conference consider the arrangement of a lecture circuit by which lecturers might be engaged to go from one society to the other, delivering the same or similar lectures.

Seventh—That the conference consider the possibility of arranging a review of the year in each of the several branches of insurance, same to be published for distribution.

The next meeting of the conference will be held in New York City on April 26th, 1910, before which time it is expected that the various organizations will ratify the action taken by their delegates.

We recommend that the action of this committee in applying for membership in the Association of Insurance Societies and Institutes of America in behalf of the Fire Underwriters Association of the Pacific, be confirmed; that the purposes announced and plans proposed by the Association be heartily endorsed; and that this committee be continued with instructions to see that the Pacific Association is represented at the April conference, in person or by correspondence, and that it is not overlooked in the preparation of the proposed annual volume containing papers and addresses delivered in different parts of the United Sates upon fire insurance and kindred topics. (Applause.)

Respectfully submitted,

Committee: HERBERT FOLGER
F. B. KELLAM
F. C. STANIFORD

Mr. Kinne—Mr. President, I move the adoption of the recommendations made in the report just read by Mr. Folger.

Mr. Gunn—I second the motion.

The President—It is moved and seconded that the report of this committee be adopted. Are you ready for the question?

The question was called for, put, and the motion unanimously carried.

The President—We will now hear the report of the committee on the Executive Committee's report.

Mr. Weinmann—In explanation of why I have to make a verbal report, I will state that in some manner the committee appointed on the President's address were not notified that the report of the Executive Committee was referred to us. But we have examined that report, and we deem it advisable that this Association allow Mr. Calvert Meade, the Secretary, the additional sum of $250, as compensation for his services for the years 1906-7-8, and in addition they report in favor of the recommendation that the salary of the Secretary be fixed at $100 per annum.

Respectfully submitted,

LOUIS WEINMANN
HERBERT FOLGER
R. W. OSBORN

Mr. Sexton — I move that the report be adopted as recommended.

Mr. Kinne—I second the motion. But I would like to say that it looks as if Mr. Meade was to get additional compensation for the years 1906-7 and 8. The fact is that he did not get anything, and this is simply to make good.

The President—I think that is generally understood.

Mr. Weinmann—He received $150 in those years, did he not?

Mr. Kinne—No, for those years he received nothing.

Mr. Weinmann—I see upon examining the report that it is my misinterpretation. Mr. Meade voluntarily requests his compensation be fixed at $100 per annum instead of the authorized amount of $150, on account of the employment of a librarian.

Mr. Kinne—I simply wanted the Association to fully understand the matter.

The President—What shall we do with the report of this committee?

Mr. Kinne—I seconded the motion that it be adopted.

The motion unanimously prevailed.

The President—The next in order is the election of officers, and I will call for the report of the Nominating Committee.

Mr. Kinne—Mr. President, generally the members of this Association are aware of the fact that it is obligatory upon the President, in accordance with a regulation adopted several years ago, to select three past Presidents as a Nominating Committee, and in this case, the President selected myself, Mr. William Sexton, Mr. Herbert Folger, R. W. Osborn and J. L. Fuller as a nominating committee. I want you all to understand that this Nominating Committee had no jobs to put up, and that they do not allow any jobs to be put up on them. We met on two or three occasions and canvassed those of our members that we thought would be available, and I wish to say right here in regard to the report read by Mr. Weinmann, speaking about the fact of endeavoring to secure, as far as possible, papers from the special agents and others that were in the field and in minor positions, so to speak, instead of those inside and the managers, was carefully considered, and, while we took a dozen or fifteen names, a certain process of elimination took place, and while there were many able men who would make first-class Presidents in due course of time, they never contributed anything in the way of an intellectual feast to us, and therefore we blue-penciled them—temporarily, I hope. Future years will take care of themselves, I hope. The result was that, after due consideration, following out the idea that the man selected as Vice-President is naturally considered to be in line for the presidency, the following year, we had to consider the office of Vice-President and so, as chairman of that committee, I will read the report, which is as follows:

For President, Frank C. Staniford,
For Vice-President, T. J. A. Tiedemann,
For Secretary and Treasurer, Calvert Meade,
For Assistant Secretary and Librarian, J. P. Moore.

I will also state that it is mandatory that the retiring President shall be one of the Executive Committee, and that the new President shall be also a member of that committee. Therefore we place in nomination for the Executive Committee Frank C.

Staniford, Adam Gilliland, A. W. Thornton, Louis Weinmann and Rolla V. Watt. And I now move, Mr. President, that the Secretary cast the ballot of the Association for Frank C. Staniford for President of the Association for the ensuing year.

Mr. Sexton—In seconding that nomination I want to explain to the young men here that what Colonel Kinne and I mean about there being no job, is this: Of course I can't remember quite as long as Colonel Kinne can, but as long as I can remember, the Colonel and myself plead guilty of having tried to follow the rule that has been in vogue for so many years in the Association, of selecting the Vice-President so as to have the Vice-President and President, one in the city and one in the country, so that we will always have one of them in the city. Under that arrangement, this time the Vice-President will be in the country and the President in the city, and the next time the President will be in the country and the Vice-President in the city. This is really so that there will be a man in the city to attend to the matters. I thought if I did not tell you this you would think there was really no job in it whatever. We have followed it right along and it has worked well, and as far as I am concerned, I am proud of it. I must say that each meeting has been better than the last. This is the best we have had. The address of the President is the best we have had. I like to explain such things, because by and by when you get to that, you will want to put up just such jobs for the benefit of the Association.

Mr. Kinne—I would like to say that when I made the remark that there was no job put up upon us, or that we put up no job on this Association, I meant to say as individuals. But, as a matter of practice, I quite agree with Brother Sexton in the way of saying that that is the right kind of a job, and as long as I am a member of the Association I am going to try to adhere to it.

The President—Gentlemen, it is moved and seconded that the Secretary cast the ballot of the Association for Frank C. Staniford as President of the Association for the ensuing year. Are you ready for the question?

The question was called for and Mr. Staniford was unanimously elected President of the Association upon the Secretary casting the ballot as directed.

Mr. Staniford—Gentlemen, I thank you for this honor, and though speeches are reserved for this evening, I desire to remark in the words of the stage driver that I am in desperate need of third-class passengers.

Before the days of the railroad in the West, stage companies had first, second and third-class rates of fare on the same coach. There were some, though little choice of seats, and new comers in the country wondered at the difference in the rate for passage. This was explained, however, when the coach reached the foot of the first steep hill by the driver calling out, "First-class passengers, keep your seats; second-class passengers, get out and walk; third-class passengers, *get out and push!*"

The stage company has turned the lines over to me this year. I am facing a hard climb, and I need passengers who will get out and push as well as those who lend their moral and financial aid, and I feel confident that refusals to help the coach up the hill will be few and I will not be forced to hire a mule.

Mr. Kinne—Mr. President, it now gives me great pleasure, as chairman of the Nominating Committee, to place in nomination for the office of Vice-President of the Association Mr. T. J. A. Tiedemann. Before this resolution was adopted, that there would be a Nominating Committee appointed, or rather, before the provision of the by-laws was adopted, whoever was placed in nomination for the office of Vice-President, was in line for the presidency the following year. I have a great deal of pleasure personally in offering Mr. Tiedemann's name, and in moving also that the Secretary cast the ballot for Mr. Tiedemann, for I believe he will become one of the best presidents the following year that this Association has ever had. He is an earnest man, has done splendid work for us, and we want him. Therefore I again move that the Secretary cast the ballot of this Association for Mr. Tiedemann as Vice-President.

Mr. Weinmann—I take great pleasure in seconding the motion.

The President—It is moved and seconded that the Secretary cast the ballot of the Association for Mr. T. J. A. Tiedeman as Vice-President of this Association for the ensuing year. Are you ready for the question?

Upon the question being called for, the motion unanimonsly prevailed, and the Secretary followed the direction of the Association and cast the ballot for Mr. Tiedemann.

Mr. Tiedemann—Mr. President and Gentlemen, I regret that I have not the ability to speak as Colonel Kinne and Mr. Sexton do. I did not know that it was incumbent upon me to make any address this afternoon. But I do want to say this, that it is with a very high sense of appreciation that I acknowledge the honor you have conferred upon me. I shall endeavor to fulfill the duties of the office in every manner possible, and to this end I hope that I shall succeed, at least be so successful as to merit your approval, and that of the committee who have placed my name before you. It will also afford me pleasure to assist and lend such aid as I can to the incoming President, to the end that the interests of this Association will be maintained and furthered in the highest possible degree. I am not here to deliver any address. But I again thank you, gentlemen, most sincerely. (Applause.)

Mr. Kinne—Mr. President, I now move that Mr. Weinmann cast the ballot of the Association for Mr. Calvert Meade for Secretary and Treasurer of this Association. He is an old-timer, and you all know him, and it sort of appears as if we can't get along without him.

The motion was duly seconded and carried, and Mr. Weinmann cast the vote of the Association for Mr. Meade as Secretary and Treasurer of the Association for the ensuing year, and the President thereupon declared him elected to fill those offices.

Mr. Kinne — I now have pleasure in placing before you for the office of Assistant Secretary and Librarian, Mr. J. P. Moore, who is the man who takes care of the books. You have heard his paper here, and you know he is just the right man in the right place. I move that the Secretary cast the ballot of the Association for Mr. Moore.

Mr. Gunn—I second the motion.

The motion prevailed and the Secretary followed the direction of the Association and cast the ballot for Mr. Moore as Assistant Secretary and Librarian, and the President declared him unanimously elected to hold those positions for the ensuing year.

Mr. Kinne—Last, but not least, when they attend to their business, you know, is the Executive Committee. The retiring President, the new President, and three past Presidents, according to the rules, must be members of that committee, and are only eligible for membership on that committee. I move that the Secretary cast the ballot of the Association for Mr. A. W. Thornton, Mr. Louis Weinmann and Mr. Rolla V. Watt, for the three members of the committee other than the retiring President and the incoming President, who are ex-officio members of the committee and do not need to be elected.

The motion was duly seconded and carried, and the Secretary followed the instruction of the Association and cast the ballot of the Association for Messrs. Thornton, Weinmann and Watt, as members of the Executive Committee.

The President—I believe that concludes all the serious business of the meeting.

We will now listen to the reading of the California Knapsack, by Mr. A. C. Thornton.



GEORGE FRANCIS GRANT

Editor of the California Knapsack from 1890 Until His Death in 1906

CALIFORNIA KNAPSACK

A. W. THORNTON AND A. C. THORNTON, EDITORS

VOL. XXXIV JANUARY 12, 1910 NO. 1

EDITORIAL.

Another year has passed into history, and sunk into the obscurity from which it hath arisen. Once more the *Knapsack* presents its annual contributions garnered from various sources in the field. It is the hope of the editors that the near-wit and humor will be accepted in the spirit in which it is written. We desire to thank those who contributed.

The meeting held the last two days has proven conclusively that the fire insurance business, like horse racing, is productive of much discussion and differences of opinion, and therefore, if the humble provender provided by this year's *Knapsack* does not serve to reduce, momentarily, at least, your temperature in that long fever called life, remember that the man seated next to you may be enjoying it to the full.

Past events have been commented upon in our President's address, and although our mission is to deal entirely with the less serious, and humorous side of our profession, yet we would indeed be lacking did we not refer to the absence from our midst of the once smiling countenances of some of our members, who, answering the call of the Grim Reaper, have passed away, and

"With a cheery smile, and a wave of the hand,
"Have wandered off into an unknown land,
"Leaving us wondering how very fair
"It needs must be if they are there."

Bee Insurance.

San Diego, Calif., January 1, 1910.

To our Agents: In this age of initiative and progress we realize that companies as well as individuals must get in the going to keep pace with business conditions as they arise.

It is with pleasure, therefore, that the San Diego Mutual Consolidated Fire Iusurance Company announces its willingness to write Bee Insurance, representing as it does one of the leading natural industries of the Golden West.

This insurance has many points of interest.

We are prepared to write full lines on bees of established parentage bearing a good reputation as makers of high-grade honey. It is perhaps unnecessary to say that we will not consider claims for loss of bumble bees, yellow jackets, wasps, or hornets, should any be surreptitiously rung in on our adjuster.

We cover bees, it is true, but aim to do it cautiously and with due regard to that conservatism which should naturally apply on this delicate hazard.

We do not issue blanket policies, although we will, at an advanced rate, permit a rider to be attached covering the fire hazard only on bees while in swarm and situate on or in any tree, stump, hive, or building within the limits of San Diego County.

We have been asked to write specific insurance on **Queen Bee.** We can not consent to this. It would be a radical and unreasonable departure from sound underwriting ethics and practice. It is true that the Queen Bee, if of Italian birth or family, has a recognized value, but the uncertainty of identification is such that the prevailing rate is inadequate for the moral hazard involved. Insurance should be specific on hives or an equal amount on each hive, with a separate amount on bee-keepers' supplies, including the usual stock of liniments necessary in their perilous calling, and specifically on beeswax and/or honey.

The term "Beeswax" does not include the artificial comb so largely used.

Do not write to exceed $10.00 on any one hive and/or its contents.

The question of correct classification for this important hazard may at first seem puzzling, but on reflection it will clearly be seen that the various items properly come under the following heads:

Hives: Frame Confectionery Manufactory—Protected.

Bees: Merchandise Floaters—Protected.

(Note.—Hives are not to be rated as B— class, but D—— class.)

Lines on honey should bear a fair proportion to its value, based on the market price at nearest available point. Whenever practicable, the probable number of bees in each hive should be given in the form with the clause added: "An equal amount on each bee." In this enumeration exclude drones and immature bees, and include only active producers.

We furnish full outfit of supplies, including face-guard, rubber gloves, and our Sting Alleviator.

No lines accepted unless based on personal inspection.

Soliciting your best efforts in this direction, and hoping for a large apiarial business, we remain,

Yours very truly,

A. B. SHARP,
Secretary and Manager.
E. NILES.

Letter From a New Manager to His Special Agent.

San Francisco, December 29, 1909.

Mr. U. R. Scaredstiff: Dear Sir—We have to acknowledge receipt of your expense account for the month of June and have perused same with interest.

Upon careful examination, we notice that under date of the 17th you have charged $1.40 for entertainment of agents. Inasmuch as we have only two agents in the town which you were visiting, we would ask if you do not consider this charge excessive.

Our attention is further called to the fact that you spent Sunday, the 19th, in the town of Fowler. Upon referring to the Shippers & Commerical Men's Guide, we find that the population of this town is 438. Do you not think it would be well to spend your Sundays in some smaller place, thereby avoiding the additional expense incident to a day of idleness?

We further notice that you have charged for three meals on Sunday. It has long been the habit of the writer to take a late breakfast and an early dinner upon this day of rest and repose. This has advantages physically and serves materially in reducing expenses, which facts, as you know, are exceedingly important in a department of this kind.

You make no charge for transportation from Exeter to Visalia, having, we judge, walked that distance. This is a highly commendable act, inasmuch as it serves to benefit you physically and reduces our expense. Walking is an exceedingly healthy exercise. How far is it from Visalia to Fresno?

In this connection, we point with pride to our expense ratio for the first six months of this year. It has been reduced, we are more than pleased to say, 5 per cent, and is undoubtedly the lowest on the street. While it is perfectly true that our income has fallen off $50,000 during this period of time and our loss ratio has increased 20 per cent, we are fully convinced of the business sense of our method, as it is a well-known axiom that expense is always under the control of the management, but the loss ratio is under the control of a higher power.

Under date of 21st you make a charge of $5.00 for horse and buggy. Where is the horse and what did you do with the buggy?

Yours very truly,
I. M. NARROWMIND,
Manager.

Copy of a "claim" which is exactly as it reached the office, with the exception of the names of the company and the claimant:

San Francisco, August 10, 1909.

Innocent Insurance Company—Gentlemen:

Last Tuesday at 5 P. M., as I was starting for the office, I heard a woman cry fire. I ran down stairs. The flames were from a pan of fat and reached the ceiling from the stove. Fearing the whole place catching fire I grasped the pan with cloths, holding the flame away from me, and threw it in the lot. But the flaming fat burst over me and burned my left hand badly. Dr. D. dressed the burns three times and will have to once more. My clothes were spoiled, $15; a shirt, $1. I lost 2 days' work $11.60; drugs $1.65. The house suffered no damage, because of my quick action.

Bill:

Dr. D.	$10.00
Suit	15.00
2 days' work	11.60
Shirt	1.00
Drugs	1.65
	$39.25

In settling this can you call any afternoon after 2 and arrange for, say, $3000 more insurance? And I desire to protest that shack next to my house, as it is now for rent, and is a menace.

Truly yours,
A. CLAIMANT.

Note: The policy under which above claim was made covered $5000 on a building.

Ten Little Specials.

10 little specials, all in a line,
One "talked too much,"
Then there were 9.

9 little specials, told to get a rate,
One "didn't do it,"
Then there were 8.

8 little specials, all with fear of heaven,
One "played too much poker,"
Then there were 7.

7 little specials, cutting up tricks,
One "faked a proof of loss,"
Then there were 6.

6 little specials, very much alive,
One "took too many drives,"
Then there were 5.

5 little specials, one of whom was "sore,"
He "got too much so,"
Then there were 4.

4 little specials, a rate they couldn't see,
One "overlooked too many,"
Then there were 3.

3 little specials, work almost through,
One "quit before his time,"
Then there were 2.

2 little specials, to rise with morning's sun,
One "failed to see it,"
Then there was 1.

1 little special, he's all alone,
He got to be a manager,
Then there was none.

W. C. CREE.

Minneapolis, January 3, 1910.

POPULAR SONGS.

(Adapted.)

You Have a Voice Like Washington, and Yet a Face Like Cook.

I.

A callous compact manager was grouching in his den;
An agent from San Pedro hadn't shown for hours and hours and hours;
He was waiting with a smile (you know that kind of style),
And he swore and swore and swore by all the powers
That the moment that the agent came he would confront him then
And demand an explanation right away.
When the victim had arrove he said: "I never cut a rate!"
Then unto him that compact man did say:

Chorus:

"You have a voice like Washington, you have a face like Cook,
Not one good honest glance unto my peepers have you took.
I know your voice rings true, old pal, but put this on your books—
Your voice may be like Washington's, your face is more like Cook's."

II.

The agent stood astounded when those words fell on his ear,
Astounded is a very mild young word;
He stood there flabbergasted, his fondest hopes was blasted,
When all them slurs of his'n he had heard.
He shot himself within that den and fell upon the floor;
The morgue was his before the close of day.
The reckless compact chief, torn with conflicting emotions, racked with schedules and haunted by the wraith of broken and distorted rates, recalled the words that he did say:

Chorus:

"You have a voice like Washington, but O, that face like Cook.
Not one straight tariff glance into my optics have you took.
I know your voice rings true, old pal, but this goes on our books—
Your voice may be like Washington's, your face is more like Cook's."

The following appeared in the Pacific Coast items published in the Spectator of New York, on March 18, 1909:

"A. C. Rae has been appointed general agent for the Firemen's Fund and the Scottish Union and National at Portland, to succeed B. F. Clayton, who has resigned on account of his death."

Notes From the Billtown Bugle.

Benson Corners to Have Fire-proof Planing Mill.—Our progressive citizen, Mr. Josh Medders, is erecting a fire-proof planing mill at Benson Corners. The building will be entirely constructed of corrugated iron over wooden studding. The boiler and engine will be in the mill building proper, and every week the accumulation of sawdust and shavings will be swept into a large bin in front of the furnace and used for fuel. In order to secure a good draft the furnace doors will be directly in line with the outside doors of the mill. Wooden lockers have been provided to hold the accumulation of oily waste which will be gathered up and deposited there every night. All the shafting and gearing will be under the floors.

In addition to doing all that is possible to safeguard the mill from a fire, Mr. Medders is showing himself as a broad-minded public-spirited man by the innovations he has in mind of bettering the conditions of the men he will employ. Gasoline cooking stoves will be placed about the mill in order that coffee may be served for lunch, and while working the men will be allowed to smoke.

Hoke Smith, the popular insurance agent, and one of our leading underwriters, says the rate of insurance on the risk will be very low, and Mr. Medders is deciding whether or not it will pay him to carry any insurance at all, considering his undoubted security from the fire fiend.

Some Delay in Sounding the Alarm.—Somebody took the rope off the bell in the fire-engine house to use for a clothes-line, and now when there is a fire, the constable has to climb up into the tower and hit the bell with a hammer. Somebody took the hammer the other day, and when Ezra Purdy's corn-crib ketched fire, the constable had to hurry to Hilliker's store for to borry a hammer. Hilliker had lent his hammer to Deacon Medders, who lives four miles out in the country, and by the time the constable got there, and hunted around in the barn for the hammer, and got back to the engine-house, the angry elements had done their worst, and Ezry's corn-crib was a mass of smouldering ruins.

There was a slick feller around here t'other day as wanted I should take out a policy in the London Lloyds. "Wal," sez I, givin' him a right smart look, "I ain't bin a-keepin' store around these parts fer nigh onto thirty years without a-knowin' what I'm payin' fer when I do buy any thing." Who is this feller, "London" Lloyd? I hearn tell of

Buffalo Bill and Deadwood Dick, but I'll be henswizzled if I ever heard of him before. There was a young feller around this town onct, named Lloyd, who, when he wasn't a-goin' to college up to the city, was a-hangin' around Deacon Jones' daughter—one of them dudist kind of a cusses, with his trousers turned up at the bottom and a-flarin' out at the hips. Folks do say as to how, when his dad died he went to London to live, and I wouldn't be a gol durned bit surprised if he and this London Lloyd were one and the same person. Sez I, givin' the agent a hard stare, "If it is, git right out o' here, as I never did see any good out of that kind of a feller." Well, the agent didn't say nothin' but looked kinder blue in the face as if he were goin' to have apoplexy, and Si Perkins, the station agent, says he seen him take the train, lafin' fit to kill. Like as not he must a seen somethin' funny on his way to the station.

A Blood-Curdling Endorsement.

Recently we received an endorsement from a new agent, reading as follows:

"Notice accepted that the assured has executed a mortgagee on the within described premises, to secure a loan."

We at once addressed the agent as follows:

John Jones, Esq., Agent,
Jimtown, Cal.

Dear Sir—We are in receipt of endorsement under policy No. 231323, accepting notice that the assured has executed a mortgagee on the premises for the purpose of securing a loan. We trust that you have not consented to this endorsement, and if so, we would ask you to cancel it immediately. We do not desire to compound a felony, or to become "particeps criminis," and we believe that this is a case for the coroner or the sheriff. It is absolutely "ultra vires" to consent to this execution, and even although the assured may have had justifiable provocation and the punishment may fit the crime, we are law-abiding citizens, and believe that it should have been done by due process of law. Inferentially, we gather that there were several mortgagees, and as only one was executed, we are curious to ascertain what has become of the others?

Yours truly,

———— ————,
General Agent.

Saturday, October 3, 8:10 A. M.; 23 Engine.

Two-story frame, 115 Presidio Avenue, owned by W. Hooper, occupied by Mrs. W. H. Mills as a dwelling. No loss. Cause, woman taking

bath. Water was rusty looking. She called the fire department to see what was the matter with the boiler.

Mr. Dooley on Fire Insurance.

(Apologies to Mr. Dunne.)

" 'Tis a great game," said Mr. Dooley, as he laid down the paper and wiped off the bar with a damp towel.

"An' what game is that?" asked Mr. Hennessy.

"This game iv insurance," said Mr. Dooley. "Th' game is played be a set iv rules, an' if ye don't know th' rules ye have no chanct. Th' only man that knows th' rules is th' prisidint iv th' company, an' th' smart adjuster who tells ye how much yer loss is.

"I see be th' pa-a-pers that th' last legislatoor passed a law makin' th' insurance companies tell ye in big type on yer policy that if ye have a fire ye don't get annything. Befure that ye had to set up all night with a magnifyin' glass an' figure it out yourself.

"I'm not knockin' th' game, Hennessy. 'Tis a good thing an' I belave in it. I do so. There's manny a man who'd be rooned today as th' raysult iv a fire if th' insurance companies didn't step in an' say, 'Th' rules is suspended; here's yer money;' an' Hogan says if it wasn't for th' insurance companies that thrade all over th' world would be paralyzed, includin' th' liquor business. 'Glory be!' I says, 'if th' lack iv insurance companies wud be annything like th' prohibition movement,' I says, 'lave us encourage 'em,' an' I went to th' tillyphone an' told Tim O'Brien, th' broker, to place five hundred more on th' bar an' fixtures.

"Th' little saloon here is insured for $1500 in th' Hibernia Insurance Company. They have tin million dollars iv assets iv th' people's good money invested in railroad bonds, stocks iv th' gas companies an' th' like. Th' prisidint draws down a handsome salary for seein' none iv it gets away from thim, an' for collectin' th' dividinds.

" 'Tis a dangerous game, too, for th' stockholders. Ye niver hear iv anny iv th' great captains iv industry monkeyin' with it. John D. Rockefeller meets J. Pierp Morgan on Wall Street, an' he says, 'Pierp,' he says, 'this game iv insurance has escaped our attintion,' he says. 'Look at all th' millions th' companies are takin' away from th' common people, an' givin' some iv it back,' he says. 'Lave us buy out this game, put th' whole bunch together, rayjuice expinses, float bonds for two or three hundred millions, screw up th' rates a couple iv p'ints, an' we ought to clean up enough to keep us in comfort an' afflooance for th' rest iv our lives,' he says.

"'Easy, Jawn, easy,' says Pierp. 'I have been lookin' over this thing with a longin' eye for manny a year,' he says. 'Gawd knows I hate to see all these millions floatin' past us, an' me not takin' a hand in th' game,' he says. 'What is insurance,' he says. 'Can ye take holt iv it? Ye can not. Annyone can make it for nawthin,' he says, 'an' half th' people that buy it don't know whether it's good or bad until they've found out after it's too late to do them anny good. Ye can deliver a hundred ton if th' stuff,' he says, 'an' then ye've got as much or more on hand than he had befure,' he says. 'Suppose some day New York should be pelted with red-hot meteors, or th' tail iv a hot comit should hit th' U. S. A. a swipe,' he says, 'an' ye have no meteor or comit clause in yer policies.' 'Forget it, Jawn. Come around th' corner,' he says, 'an' we'll juggle th' stock game for an hour or two, an' maybe we'll pick up a couple iv millions befure supper.'

"There's a fine har-r-d workin' body iv men in th' fire insurance game' Hennessy. Ye may not belave it, but 'tis so. None iv them are makin' a pile iv money, either. Ye niver hear iv them, an' ye niver see their names in th' papers. I don't know iv anny iv them who are makin' money enough to become notorious or prominint. They live well, jine all th' best clubs, an' enjoy life, but that's as far as they get.

"Did ye ever pick up a paper an' read in big head lines, 'Terrence Clancy, th' millionaire fire insurance man iv Pittsburg, divorces his wife an' elopes to Paree with Mamey Fluffles, the beautiful acthress?' Did ye iver read in th' Herald that Jawn Rooney, prisidint iv th' Cork County Insurance Company, has donated $50,000 to Vassar Collige or toward wipin' out iv th' tape-worm disease? No, ye did not.

"Willum Jones, gineral agent iv th' Jumbo Insurance Company, comes down to his illigantly app'inted offices at 9 a. m., puts on his workin' coat an' touches a button. Th' office boy comes in. 'Bring me th' mail,' he says, 'containin 'all th' raymittances,' he says, 'an' tell th' stinographer to be ready at 9.25.'

"Outside his dure, waitin' for an audjience, are two advertisin' solicitors, wan applicant for a job, an' a comity lookin' for subscriptions for th' Old Ladies' Home. He opens th' mail, ixtracts th' checks, calls th' stinographer, sends word out to th' people waitin' that he's tur-r-ble busy, an' that he can't see them till next day, runs his hands through his hair an' dictates four letters. Then he looks at his watch an' rushes up to a meetin' iv th' insurance comity at tin o'clock, an' puts in a busy hour listenin' to a rayport on th' placin' iv new hydrants. At eliven o'clock he an' his old chum, Brown, sicritry iv th' Easy Mark

Underwriters, slide into Tony's for a quiet drink, an' a talk over th' non-board situation. At eliven twinty he gets back to his office an' gives tin minutes each to a real estate man, a stock broker, and a loss claimant who don't know th' rules. At a quarter iv twelve he goes to th' club for lunch. He plays wan game iv pool, talks shop an' politics at th' table, listens to th' latest yarn, smokes a twinty-five cint seegar, an' rushes back to work at wan thirty, an' attends a meetin' iv th' underwriters' comity. Be three o'clock th' strinuous work he's been doin' has begun to tell on him. He locks himself in his private office, laves strict orders he's not to be disturbed, an' tillyphones to th' market to send a roast, two cans iv tomatoes, an' a case iv Budweiser out to his home. He looks over th' stock rayport, dictates five letters, blows up a special agent for spendin' too much time in th' office, slams down his desk, an' at four-thirty, faint from over-work, he takes th' car for th' golf-links.

"I tell ye, Hennessy, 'tis no joy-ride to be runnin' wan iv them big institootions. Theres' manny a man broken down befure his prime from th' tur-r-ble strain."

"Is th' game on the square?" asked Mr. Hennessy.

"It is," said Mr. Dooley, "if ye know th' rules."

To Our Loyal Agents: Once more we have the pleasure of addressing you in relation to new business, and to ask your co-operation and assistance in making our present celebration a grand success. The general agent has returned from his annual trip to Lake Tahoe; we have just finished painting the front of our office; the office-boy has returned from the baseball game, and everything is now running so smoothly, that we feel like appointing a gala day to celebrate, and therefore ask you to contribute to the success thereof, by sending us a few new risks to bring to the attention of the general agent on his return to his desk.

Thanking you very heartily for the response you made to a somewhat similar call we sent out about thirty days ago, and anticipating equally good returns, I remain,

Sincerely yours,

_____ _____,

Asst. General Agent.

Answer of a local agent to inquiry of manager in relation to the fate of a risk which was lost at expiration:

"Assured has not renewed the policy with any other agency, but seems to hang fire. Have recommended cascarets, castor oil and

prayer, but nothing stirring to date. Hope to work out the premium some way. Will accept cord-wood, hoop-poles, pumpkins, tortoise-shell tabby cats, or confederate scrip."

A New York Adjustment.

(By Edward Niles.)

When I arrived in New York, after a long residence in California, I felt that the metropolis had little to show me and expected to help some in the higher education of Manhattan.

With a buoyant air I emerged from the Grand Central depot and, desiring to "gain the timely inn," as suggested by Shakespeare, hailed a taxicab, handed a dollar to the chauffeur and said in a brisk, offhand way as if to Fifth Avenue born: "The Belmont."

The driver took the fare while a broad smile spread over his face. "Now this is a good fellow," I thought; "here is no cold reserve nor attempted extortion, but a prompt and pleasant acceptance of the money offered."

The cab started. In about ten seconds it stopped. "Oh, well," I reflected, "probably a congestion of traffic."

"What did you say, driver?"

"This is the Belmont, sir."

"Is it possible? How swift you were. By the way, what is that large building diagonally across the street?"

"The Grand Central station, sir!"

Such was my first and sufficient introduction to a city in which "chestiness" is soon knocked out.

After a varied experience throughout "The Golden West," it seemed a strange freak of fortune that I should be "called back" to my native State to take up the threads of work which were there severed many years before. But so it was, and with mingled feelings I began what proved to be a brief term of service with the Metropolitan Fire Insurance Company of Yonkers, a corporation scarcely heard of in California, although one of the oldest and soundest in the world. It began in a humble way in 1846 in what was the hamlet of Yonkers (now practically the northern end of New York City), but long since outgrew its local habitation and from my earliest recollection has been in the front rank of New York's enormous corporations. In some of its methods of management it is unique, and in their plans its directors (who have never been of the "dummy" kind) showed a foresight that seemed almost "uncanny" in its brilliant results.

They not only gained heavily by operations in city real estate (one striking example being their purchase of a plot on Fifth Avenue for $800,000, which they sold a few months after for $2,000,000 to a merchant who needed that corner in his business), but profited by the gratitude of their employees. The Metropolitan was appreciative. It had a generous pension system; paid liberal wages, and added a 25 per cent share of the profits, if any, applying to all from the president to the newest office boy. On its semi-centennial anniversary in 1906 it gave a bonus of 15 per cent of the yearly salary. The cutting of this melon established a grade for fruit of that kind which proved a little higher than that reached by even the Atlas, Hanover and Hartford.

In the matter of such persuasive helps to business as calendars, desk blotters, supply cases, silver pocket knives, fountain pens, and the like, the company was simply beyond competition.

The president was a tireless worker, and seemed to combine the energy of Massachusetts with the geniality of California. He did not keep his employees in a state of fear by harsh criticism and overlooked some of their weaknesses. His aim was to develop the latent good in their natures if possible, and in that respect reminded me of the principal character in "The Passing of the Third Floor Back." He was strong on figures and made a study of the annual results to the profit of the company, for "the years tell much that the days never knew."

The vice-president also had a serene nature, a great capacity for patient work, and had never been known to show any irritation during his many years' connection with the company. His skill in caring for a big line on a good risk removed the sting if it burned and his unfailing cheerfulness helped to tone up the office.

The general adjuster was a fluent if not always a persuasive talker, and at times inconsistent in his methods. He would hang on to a strict technical interpretation of the fire insurance contract like a dog to a bone and cite precedent after precedent, even going so far afield as to spring on the embarrassed claimant various hypothetical cases which not only never had occurred, but in the ordinary chances of life never would happen, and then, conscious of having followed the strict letter of his text, his cautious Yankee spirit would scent a law suit and the result would often be a "reversal of form" and the closing of the adjustment, while the befogged claimant would take the check and wonder what all the fuss was about.

This is a rather long preamble to a so-called "adjustment story," but the fact is that in the case in question both sides agreed that there was nothing to adjust.

The question of depreciation has long been a favorite study of mine, and Tiffany's celebrated work on that subject has been the basis of settlement in many of my adjustments. The writer of that treatise was a genius of technique, yet there have been times when he was slightly tinged with pessimism and once especially, under stress of examination, I was shocked to hear a peevish claimant exclaim: "Oh! Tiffany, what crimes are committed in thy name!" Other great reformers and explorers have met with a similar reception, although it appears like the irony of fate when the smooth bore of "depreciation" recoils.

One of the collections of artistic treasures belonging to J. Percival Corrigan, the banker of world-wide reputation, is contained in a plain but beautiful marble building, situate in the restricted residence section of one of New York City's avenues, and is of an actual and sentimental value running into millions. The building is presumably fireproof and no insurance was carried on the contents with the exception of a line of $10,000 in our company.

The manager of our city department looked upon this business as easy money and seemed annoyed by the receipt of a phone message from George W. Burton, one of Mr. Corrigan's partners, reporting a damage to contents by a slight fire which occurred on Christmas Eve. The adjustment was given to me and an appointment with Mr. Corrigan arranged for 2:00 p. m on December 27 at his office in the Rexall Building, on the northwest corner of Wall and Nassau streets. This property, by the way, with a frontage on Wall Street of 25 feet, the building having but thirteen stories, was sold recently for $1,600,000, and as it was bought by a woman was, presumably, a bargain, even at that figure.

"Take your draft book with you," said the city manager, "with proof and receipts; make the settlement and pay the loss. I told Mr. Burton that you are authorized to pay."

"My instructions, then, are to close the matter without reference to the office?"

"Certainly; adjust and pay."

"Very well."

Accordingly I met the banker at the appointed time and place.

"This," said Mr. Burton, introducing me, "is the adjuster."

"Glad to meet you," said Mr. Corrigan, "although there is nothing to adjust."

"I thought you would decide not to make a claim," I replied.

"You must learn to think right," answered the banker. "I didn't know we had this insurance until recently. Why was such a small amount carried, Mr. Burton?"

"Because the building is considered fireproof and I merely wished to cover the trifling damage to contents that might be caused by carelessness, as in this case."

"What are the facts, Mr. Corrigan?" I asked.

"Mr. Carnegie and Mr. Rockefeller were inspecting the collection. The latter gentleman was loking at an old Bible, when Mr. Carnegie, who was at the other end of the room, shouted: 'John, come here, and see something in your line. Here is the original manuscript of Cardinal Newman's hymn: "Lead, Kindly Light".' So Mr. Rockefeller left the Bible lying closed on a shelf, and a portable electric light swung against it and in a moment a corner of the book was considerably scorched."

"Was that all?" I asked.

"That was the only article damaged."

"When was it published?"

"About 470 years ago. That is the book," said the banker, pointing to a dingy-looking volume on the desk before him.

"Its original cost was perhaps ten dollars?" I ventured.

"Possibly."

"And it is nearly 500 years old?"

"Yes, it is one of the first books printed from movable type."

"Who was the printer?"

"Gutenberg."

"The matter of depreciation, Mr. Corrigan," I remarked, "is a part of the insurance contract which in justice to both parties in interest must be carefully considered. Tiffany, who devoted a life of study to the subject, informs us in his scholarly Digest that books depreciate from 1 to 5 per cent a year. Taking the minimum, this Bible as far back as A. D. 1570, one hundred years after publication, would have no actual market value. You will, of course, understand that we do not follow any farther than the entire exhaustion of value, the idea being to tote fair and not to bring the claimant in debt to the company, nor do we cover sentimental or imaginary value. Do I make this clear?"

"Entirely so from your standpoint, although I was not before aware that Tiffany ever depreciated anything. His prices are certainly high enough."

"This is not the jeweler of that name," I replied, "but an expert analyst who is acknowledgfed to be in a class by himself."

"So I should judge," said Mr. Corrigan.

The door opened and the head porter came in. Mr. Burton turned to his partner and said: "Excuse me, but William wishes to let you

know that in a corner of vault Z he just found the missing bonds that disappeared a year ago and were marked off the books."

"Let me see," said the banker, "I think I remember something about that. What was their value then?"

"About $5,000,000."

"Copper or steel?"

"Steel."

"Common or preferred?"

"Common."

"Selling then about 40 and now 91?"

"Yes, sir."

"William," said Mr. Corrigan, "after this try and be as careful in looking after these little matters as you are in your other duties."

"I will, sir," replied William, who then made his exit.

"Now," said the banker, "you have done your duty to your employers, which is commendable. As I said before, there is nothing to adjust, for I, of course, can make no claim in excess of the amount insured."

"Is there any loss?" I asked.

"Undoubtedly," was the reply.

"And does Tiffany have no weight with you?"

"Not this time. He evidently wasn't familiar with sacred literature."

"Mr. Corrigan," I continued, "do you consider that this blackened corner really detracts from the inherent value of a book as little read as a Bible? Now to my mind it adds a bizarre effect, but if you don't like it I will have it touched up in gilt by a competent book-binder of my acquaintance."

"Fix it any way you like after you pay," he replied, "you may then take it, for it is ruined and I never want to see it again."

"You haven't yet told me what your claim is, if any," I added.

"Ten thousand dollars."

"Wh-h-hat!" I gasped in astonishment.

"Young man," said the banker; "you are long on depreciation, but short on knowledge of art. I bought that book in London from Quaritch, who is probably the best judge of book values in the world, for three thousand pounds, which was a very low price. Thirty thousand dollars would have been cheap for it. There are but two others like it in the world. That is a 'Breeches' Bible."

"What does that mean?"

"The compositor either by mistake or design changed one letter so that the word 'breeches' appears in the book."

"Does that make it any better?"

"It adds greatly to its value and renders its absolutely unique."

That was enough for me.

"Just sign your name there," I said, "and on the receipt. Here is a draft for $10,000 on your own bank. Please give me the policy and the Bible."

"All right, thank you," said Mr. Corrigan; "shall we send the book to your office?"

"I will take it with me," I answered. "This is a rising market and I want to get out of it quick, for my short interests are suffering."

"Ha! ha!" laughed the banker; "we will have you in Wall Street yet."

When I entered the office of our city manager he asked:

"All settled?"

"Yes, sir."

"How much?"

"Ten thousand."

He turned pale and murmured: "Tell the president."

I did so. He smiled and said: "It's easy to adjust a total loss, isn't it? You acted with nerve and decision and did just right. Mr. Corrigan holds 90 per cent of our stock; so, after all, it is only robbing Peter to pay Paul. Take the Bible, 'bag and breeches,' and if you can dispose of it for a small sum keep the money. But if you get more than ten thousand for it," he added, laughing, "reimburse us and the balance will be for your trouble!"

"Thank you, sir."

Then I got busy and went direct to Anderson's, on East 46th Street, the best known auction house in New York for art sales.

"Mr. Anderson," I asked, "will you sell this book for me?"

"Certainly. Any limit?"

"No, sir. What is your rate of commission?"

"Ordinarily, five per cent. In a transaction of this magnitude, two and a half."

"Rather than see it sacrificed," I said, "I will do a little bidding myself."

"All right. This is Tuesday. I will have it on exhibition until Saturday and put it up then at 3:00 o'clock. Pretty thing, isn't it? A little disfigured, but still salable."

"How reasonable he is in his charges," I thought, "I will bid on it up to twenty dollars or maybe twenty-one, but nothing higher. As a souvenir of Mr. Corrigan it will be worth that much to me."

When I arrived at Anderson's Saturday afternoon I was a little late. The book was up and a gentleman of distinguished presence had just bid: "Sixteen."

"Seventeen," said I.

"Eighteen."

"Nineteen," I shouted.

"Twenty."

I hesitated, but finally bid "twenty-one."

"Twenty-one five," said my rival.

"Going," said Mr. Anderson, "at twenty-one five; once, twice, third and last call and sold for $21,500."

"I congratulate you, Mr. Clarke, for you have secured at a nominal figure one of the art treasures of the century in perfect condition, with the exception of a slight injury to the cover, which can readily be repaired."

Mr. Clarke paid his bill and took his purchase with him in a cab. I then said to the auctioneer: "What did you mean by calling the price of the book $21,500? I bid twenty-one dollars only and then you sold it on the next bid." He replied: "You don't mean to say that you thought they were dollar bids? You came in rather late and probably didn't hear the first bid, which was $5000. The others were a thousand each until Mr. Clarke bid twenty-one five, which he and I understood was $21,500. I have his check for that amount and we may as well settle now, as later. My commission at 2½ per cent is $537.50, which deducted from $21,500 leaves $20,962.50. Will you have it in one check?"

"Two, if you please, one for $10,000 and one for $10,962.50."

"Here they are, but suppose your bid of 'twenty-one' took the book, how would it have affected you?"

"I would have been in debt to myself for life."

"And how would you have paid my commission of $525?"

"I would have left the Bible as security and have had you sell it over again to an outsider. Who was the purchaser?"

"Oh, he is an expert on paintings, statuary, books and curios of all kinds. He has carte blanche from Mr. Corrigan and buys only for him whenever he sees anything he fancies. The banker doesn't want to know what he buys until he delivers the goods."

"Coming pretty swift," I thought, as I hastened to the office, placed the checks in the president's hands and gave him a history of the transaction.

"You may endorse and give us the $10,000 check," he said, "and that squares the loss. The other you have richly earned and in addition we will return to you $250, that being our share of the commission."

I thanked him and on the Monday following opened an account at J. Percival Corrigan & Co.'s with $11,212.50 to my credit.

The next day I was requested by phone to call on Mr. Corrigan, who said to me when I entered his office:

"I have just had the privilege of buying a damaged Bible for $21,500 which I sold for $10,000. Is that your idea of high finance?"

"Mr. Corrigan," I replied, "you are the innocent victim of circumstances, while I blundered into what may be but temporary good luck. I don't know enough to put up a job to cinch any one and wouldn't if I could. To prove my good intentions, after you hear my story if you think I am at fault I will give you my check for $10,962.50, and that will leave me just $250, which is not your money anyway. You will have to stand the commission."

After listening to my statement he said: "You deserve all you made. Best thing I ever heard. Suppose you come into our office and see if your luck will hold. You needn't bother about salary, depreciation or anything else. Our rule is to let the other fellow do the worrying."

And that is why I am in the banking business.

The dapper special agent of the Law Union & Crown placed his brand new card on the agent's desk.

"I see," said that autocrat, "you have changed your title."

"Yes," said the special proudly, "we are now the Law Union & Rock."

"The L. U. R.," promptly replied the witty local.

Portland, Oregon, September 1, 1909.

_____ _____,

Manager, San Francisco, California:

Dear Sir—We are about to "pass another milestone," and we urgently invite our loyal friends to join with us in a fitting celebration of the joyful event.

Our senior's twenty-first birthday, the anniversary of our junior's fortieth year in the insurance business, as well as our office boy's return from Europe, were allowed to pass without comment, our well-known modesty prompting us to commemorate those occasions by a private celebration, but today our office has been cleaned, a coat of

ornate yellow paper applied, and the dirt of centuries removed. We would like to ask you to join us at lunch, but as we have just had lunch, we suggest that you again prove your loyalty by sending us a good fat check. Kindly mark same, "Complimentary to our Portland Locals." We wish to have these checks in time to place same on our senior's desk on his return from his week-end at the Coast.

Cordially yours,

_____ _____.

P. S.—We prefer large lines on undesirable business (the commission being larger).

An earthquake clause recommended by L'Argus of Paris, for adoption by French insurance companies, is as follows:

"Company will not make good in any case, fires or damage whatever, which are one or the other directly or indirectly consequences of volcanoes, earthquakes, hurricanes, cloud-bursts, cyclones, or other meteorological phenomena other than lightning."

Mr. Gunn—Before we adjourn, Mr. President, it gives me great pleasure to move that the thanks of this Association be tendered to our retiring President, Adam Gilliland, for the very faithful and efficient attention he has given to the duties of that office, and I will ask Colonel Kinne to put the motion.

The Secretary—I second the motion.

Mr. Kinne—It gives me great pleasuse to put this motion, for I know very well the very excellent work that Mr. Gilliland has done.

The motion unanimously prevailed.

The President—Gentlemen, I thank you sincerely. I think that concludes the business for which we have met together. This evening, at the banquet board, at the Palace Hotel, we will relax ourselves as the final word of this, to me, most enjoyable meeting.

CHARLES OTIS SCOTT

Charles Otis Scott, a valued member of this Association for a number of years, died in San Francisco on the fifth of May, 1909, at the age of forty-eight years. Mr. Scott was born in Milwaukee and at an early age removed to Los Angeles. He was there engaged in mercantile life until uniting with the Insurance Company of North America as its local representative in that city. In this capacity he served the Company faithfully and well for several years. In 1894 he became its Special Agent and Adjuster for the Pacific Department, a position he filled with credit and honor up to the time of his death. Mr. Scott was a man of strong convictions which, in the defense of scrupulous integrity, he expressed without thought or fear of the consequences. He made friends slowly but mutual confidence once established was of a lasting nature. Resolved, that a copy of this memorial be presented to the deceased's wife, with an expression of the Association's sincere sympathy.

J. K. HAMILTON,
OTHO N. HALL,
W. H. GIBBONS,
} COMMITTEE

AMOS FULLER SEWELL

The Harvest of the "Great Reaper" has been distressfully great in our profession since those nerve-racking days of four years ago. So many leading names have been crossed off our active list, and so many familiar faces missed from the street that the harvest would seem to have been plentiful enough.

But it was with none the less of deep sorrow and regret, for all this, that those who knew and loved him heard of the death of Amos Sewell. And it is safe to say that the list of those who held him near to their hearts would include all with whom he had come in close personal contact. There is hardly a Special Agent onthe road today who has not, at some time or another, benefitted by his experience, by his freely-given help and advice, and by his papers printed in the Proceedings of this Association. Not only by the field men of his own profession, but by traveling men of all lines of business was the company of Amos Sewell appreciated to the highest degree when his genial face showed up as a gladly welcomed companion on some dreary journey.

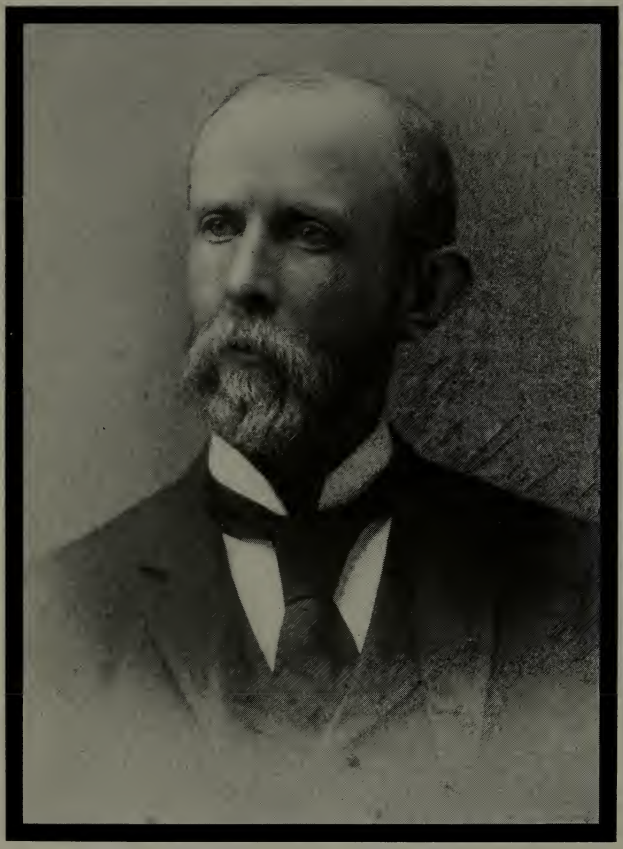
A native of Marysville, Amos F. Sewell was by birth and by disposition a thorough Californian, in every corner of which great state he has left many warm friends and admirers.

To his widow and child we can only extend, on behalf of the Fire Underwriters' Association of the Pacific, our most sincere condolence, knowing only too well how inadequate any written or spoken words are to lessen a sorrow in which we all share.

CHAS. B. HILL,
GEO. C. CODDING,
WM. O. MORGAN,
} COMMITTEE



AMOS FULLER SEWELL



GEORGE CHAUNCEY BOARDMAN

GEORGE CHAUNCEY BOARDMAN

Again it becomes our sad duty to notify our associates of the passing of one of our oldest and most respected members, Mr. George Chauncey Boardman, who had been General Agent of the Ætna Insurance Company for a period of forty-one years. Mr. Boardman died on the morning of April 24th, 1909, at the age of eighty-one years.

He was one of the founders of the original Board of Fire Under writers and, in his earlier years, was one of its most active workers.

The passing of Mr. Boardman removes from our midst a gentleman representing the highest type of manhood. There was a modest charm about his manner that endeared him to all with whom he came in contact. His business integrity was of the highest order. The Insurance fraternity can illy afford to lose a man of his high character, and all will lament his passing.

E. C. MORRISON,
HERBERT FOLGER,
R. W. OSBORN,
} COMMITTEE

PAUL MERRITT HENRY

Whereas, In the providence of God He has deemed it wise to remove from our companionship our associate and friend, Paul Merritt Henry, who died at Colfax, California, on October 3rd, 1909, after a lingering illness, now, therefore, be it

Resolved, That in his death a generous heart has ceased to throb in sympathy with us and this Association has lost a staunch friend, an ardent supporter of its aims and objects, a wise counselor and a genial companion.

Paul Merritt Henry was born in San Francisco, January 1st, 1880.

He received his elementary education in the Public Schools and finished the same at Chaffee and the Throop Polytechnic Colleges.

In 1897 he entered the office of the Ætna Insurance Company and until the time of his death was identified with the insurance world, making rapid advancement and finally occupying the position of California State Agent for the North British & Mercantile Insurance Company.

Our departed friend was kind and generous to a degree, true in his friendships and of a lovable nature. Of him it can be said that those who knew him best loved him most.

He leaves a father, mother, brother and sisters to mourn his loss. To them we extend our sincerest commiseration though we are profoundly conscious that human sympathy availeth little in sorrow such as theirs.

Resolved, That this preamble and resolutions be spread upon the records of the Association and a copy thereof be sent to the family of our departed member.

G. A. R. HEUER,
HENRY C. R. BUSWELL,
F. J. SCHOENEMAN,
} COMMITTEE

EDWIN WALLACE CARPENTER

In the death of E. W. Carpenter the Fire Underwriters' Association of the Pacific loses one of its earliest and most useful members.

Mr. Carpenter was born in Foxboro, Mass., April 21st, 1841, and passed away at Providence, R. I., November 2d, 1909.

He was a graduate of Yale and teacher of mathematics in that institution.

In 1864 he went to Montana as Court Clerk for a relative who was Territorial Judge; in Montana he held various offices of trust and took up fire insurance as a side issue.

In 1875 he came with his wife and child to San Francisco; was with the Fireman's Fund as a Special Agent and later as Assistant Secretary for ten years, and the local agency system of that office owes much to his ability. In January, 1886, he accepted the management of the Royal, Norwich Union and Lancashire, which he held until impaired health forced him to resign after ten years of service, then with his wife he traveled around the world for about two years, when from failing eyesight he was compelled to settle down in his old home, the place where he was born, in Foxboro, Mass., and where his widow now resides.

As an underwriter he had few equals; he was a practical advocate of correct practices. His methods can be followed with profit and his papers written for this Association will pay well for reading.

Resolved, That this tribute of our esteem be recorded in the Proceedings of this Association, and a copy thereof be sent to his widow.

WM. SEXTON,
J. L. FULLER,
C. MASON KINNE,
} COMMITTEE

CHARTER MEMBERS

Of the Fire Underwriters' Association of the Pacific

Organized February 23, 1876.

Bailey, Jas. D., General Agent, Union Insurance Co.
*Barney, E. T., General Agent, California Insurance Co.
Bigelow, H. H., General Agent, Home Mutual Insurance Co.
Brush, R. G., City Agent, State Investment & Insurance Co.
*Brown, Edw., General Agent, Faneuil Hall & Lycoming Insurance Cos.
*Bromwell, L. L., Special Agent, Phœnix and Home Insurance Cos.
*Bryant, A. J., President State Investment & Insurance Co.
*Callingham, Wm. J., General Agent, Royal Canadian Insurance Co.
*Clark, Z. P., Agent, German-American Insurance Co.
*Dick, B. C., Agent, Kansas Insurance Co.
Dickson, Robt., Manager, Imperial, Northern & Queen Insurance Co.
*Doolan, Wm., Special Agent, State Investment & Insurance Co.
*Dornin, Geo. D., Secretary, Fireman's Fund Insurance Co.
*Garniss, J. R., Adjuster.
*Grant, Geo. F., Special Agent, North British & Mercantile Insurance Co.
*Gunnison, A. R., Special Agent, Commercial Insurance Co. of California.
*Hart, J. W., Agent, Scottish Commercial Insurance Co.
*Houghton, J. F., President, Home Mutual Insurance Co.
*Landers, Wm. J., Manager, San Francisco Agency, Guardian Assurance Co.
*Lowe, B. F., Adjuster.
Macdonald, William, Surveyor, Board of Fire Underwriters.
Magill, R. H., General Agent Home Mutual Insurance Co.
Potter, E. E., of Potter, Jacobs & Easton, General Agents.
Sexton, Wm., Special Agent, Fireman s Fund Insurance Co.
Smith, A. D., General Agent, Northwestern, Amazon & Fairfield Insurance Cos.
*Smith, Henry, Special Agent, Liverpool & London & Globe Insurance Co.
Snow, H. W., Special Agent, Commercial Union Assurance Co.
*Spencer, Geo. W., Special Agent, Ætna Insurance Co.
*Staples, J. W., Adjuster.

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*Deceased.

OFFICERS AND COMMITTEES.

List of Officers and Committees of the Fire Underwriters' Association of the Pacific since organization:

Year.	President	Vice-President.	Sec.-Treas.
1876	*Benjamin F. Low	Henry H. Bigelow	*John W. Staples
1877	*George D. Dornin	*Wm. L. Chalmers	*John W. Staples
1878	*Augustus P. Flint	*Edward Brown	*John W. Staples
1879	*Caspar T. Hopkin	Andrew D. Smith	*John W. Staples
1880	*Geo. W. Spencer	*E. W. Carpenter	*John W. Staples
1881	*L. L. Bromwell	*Geo. F. Grant	*John W. Staples
1882	*George F. Grant	*E. W. Carpenter	*John W. Staples
1883	*E. W. Carpenter	William Sexton	*Robert H. Naunton
1884	William Sexton	C. Mason Kinne	*C. P. Farnfield
1885	C. Mason Kinne	*Zenas P. Clark	*Robert H. Naunton
1886	*Zenas P. Clark	*John W. Staples	*Robert H. Naunton
1887	*John W. Staples	*Wm. L. Chalmers	Bernard Faymonville
1888	*Wm. L. Chalmers	L. B. Edwards	Bernard Faymonville
1889	L. B. Edwards	*Wm. J. Callingham	Thomas W. Fenn
1890	B. Faymonville	Wm. H. Lowden	*Robert H. Naunton
1891	Wm. H. Lowden	Henry M. Grant	George H. Tyson
1892	Henry M. Grant	Stephen D. Ives	Edward Niles
1893	Stephen D. Ives	Rolla V. Watt	Russell W. Osborn
1894	Rolla V. Watt	V. Carus Driffield	Russell W. Osborn
1895	V. Carus Driffield	Herbert Folger	Louis Weinmann
1896	Herbert Folger	R. W. Osborn	Louis Weinmann
1897	R. W. Osborn	Edward Niles	Calvert Meade
1898	Louis Weinmann	Louis Weinmann	Calvert Meade
1899	Edward Niles	Frank J. Devlin	Calvert Meade
1900	Frank J. Devlin	Geo. W. Dornin	Calvert Meade
1901	Geo. W. Dornin	Wm. H. Gibbons	Calvert Meade
1902	Wm. H. Gibbons	Whitney Palache	Calvert Meade
1903	Whitney Palache	Jacob L. Fuller	Calvert Meade
1904	Jacob L. Fuller	A. W. Thornton	Calvert Meade
1905	A. W. Thornton	F. B. Kellam	Calvert Meade
1906	F. B. Kellam	Arthur M. Brown	Calvert Meade
1907	Arthur M. Brown	John W. Gunn	Calvert Meade
1908	J. W. Gunn	A. Gilliland	Calvert Meade
1909	A. Gilliland	F. C. Staniford	Calvert Meade

*Deceased.

EXECUTIVE COMMITTEE.

1876	*L. L. Bromwell	*James R. Garniss	*George F. Grant
1877	*Edward Brown	*William J. Landers	Andrew D. Smith
1878	Andrew D. Smith	Oliver H. Cole	*George W. Spencer
1879	*Augustus P. Flint	William Macdonald	*Albert R. Gunnison
1880	*George F. Grant	*Edward Brown	Oliver H. Cole
1881	*George W. Spencer	*E. W. Carpenter	C. Mason Kinne
1882	Thomas E. Pope	Andrew D. Smith	*Thomas A. Mitchell
1883	*George F. Grant	Harvey W. Snow	Oliver Hawes
1884	*George F. Grant	Harvey W. Snow	Oliver Hawes
1885	*George F. Grant	Harvey W. Snow	Oliver Hawes
1886	*H. K. Belden	*George F. Ashton	Calvert Meade
1887	*H. K. Belden	*George F. Ashton	Calvert Meade
1888	*W. J. Callingham	George C. Pratt	Rolla V. Watt
1889	B. Faymonville	Wm. H. Lowden	*Henry K. Belden
1890	*H. K. Belden	*George Easton	Henry M. Grant
1891	*H. K. Belden	*George Easton	Alfred Stillman
1892	Alfred Stillman	*George Easton	V. Carus Driffield
1893	V. C. Driffield	Wm. H. Lowden	William Sexton
1894	Herbert Folger	Franz Jacoby	Jas. H. De Veuve
1895	R. W. Osborn	Frank J. Devlin	John T. Fogarty
1896	Frank J. Devlin	George W. Dornin	Whitney Palache
1897	*Frank G. Argall	Edward Niles	Robert P. Fabj
1898	Whitney Palache	*Wm. H. Bagley	Leslie A. Wright
1899	John T. Fogarty	Alfred R. Grimm	Whitney Palache
1900	Edward Niles	Wm. H. Lowden	Russell W. Osborn
1901	Frank J. Devlin	Rolla V. Watt	William Sexton
1902	George W. Dornin	Herbert Folger	Louis Weinmann
1903	W. H. Gibbons	Herbert Folger	Louis Weinmann
1904	Whitney Palache	W. H. Gibbons	George W. Dornin
1905	J. L. Fuller	A. W. Thornton	W. H. Gibbons
		Whitney Palache	George W. Dornin
1906	A. W. Thornton	F. B. Kellam	R. W. Osborn
		Louis Weinmann	Herbert Folger
1907	F. B. Kellam	Arthur M. Brown	Herbert Folger
		W. H. Gibbons	J. L. Fuller
1908	Arthur M. Brown	John W. Gunn	Frank J. Devlin
		J. L. Fuller	Russell W. Osborn
1909	John W. Gunn	Adam Gilliland	F. B. Kellam
		Geo. W. Dornin	W. H. Gibbons
1910	Adam Gilliland	Frank C. Staniford	Rolla V. Watt
		Louis Weinmann	A. W. Thornton

*Deceased.

CALIFORNIA KNAPSACK.

1879	Charles Mason Kinne, Editor	W. Macdonald, Associate Editor
1880	Charles Mason Kinne, Editor	
1881	Charles Mason Kinne, Editor	*G. F. Grant, Associate Editor
1882	Charles Mason Kinne, Editor	
1883	Charles Mason Kinne, Editor	
1884	Charles Mason Kinne, Editor	
1885	*George F. Grant, Editor	
1886	*George F. Grant, Editor	
1887	*Edwin W. Carpenter, Editor	
1888	*Alexander J. Wetzlar, Editor	
1889	*Alexander J. Wetzlar, Editor	
1890	*George F. Grant, Editor	
1891	*George F. Grant, Editor	
1892	*George F. Grant, Editor	
1893	*George F. Grant, Editor	
1894	*George F. Grant, Editor	Edward Niles, Associate Editor
1895	*George F. Grant, Editor	Edward Niles, Associate Editor
1896	*George F. Grant, Editor	Edward Niles, Associate Editor
1897	*George F. Grant, Editor	Edward Niles, Associate Editor
1898	*George F. Grant, Editor	Edward Niles, Associate Editor
1899	*George F. Grant, Editor	Edward Niles, Associate Editor
1900	*George F. Grant, Editor	Edward Niles, Associate Editor
1901	*George F. Grant, Editor	Edward Niles, Associate Editor
1902	*George F. Grant, Editor	Edward Niles, Associate Editor
1903	*George F. Grant, Editor	Edward Niles, Associate Editor
1904	*George F. Grant, Editor	Edward Niles, Associate Editor
1905	*George F. Grant, Editor	Edward Niles, Associate Editor
1906	*George F. Grant, Editor	Edward Niles, Associate Editor
1907	A. W. Thornton and A. C. Thornton	
1908	A. W. Thornton and A. C. Thornton	
1909	A. W. Thornton and A. C. Thornton	
1910	A. W. Thornton and A. C. Thornton	

DINNER COMMITTEE.

†(From first banquet in 1881 to 1908)

	†*George W. Spencer	*George F. Grant
1908	*George W. Spencer	C. Mason Kinne
1909	C. Mason Kinne	E. C. Morrison
1910	Dixwell Hewitt	W. B. Hopkins

*Deceased.

LIST OF MEMBERS

ACTIVE MEMBERS.

Agnew, F J, Special Agent, Pennsylvania Fire Insurance Company
Alverson, W W, Assistant Manager, Associated Underwriters
Allan, C E, Independent Adjuster, San Francisco
Anderson, C H, Special Agent, Springfield Insurance Company
Ankele, J H, General Agent, International Fire Insurance Company
Archer, R T, Independent Adjuster, Los Angeles, Cal.
Avery, Frank M, Manager, Fire Association and Philadelphia Underwriters Insurance Companies
Bailey, A E, Special Agent, New York Underwriters
Bailey, J D, of Bailey & Johnston, General Agents, Insurance Company of North America and Alliance
Bangs, Franklin, Secretary Home F. & M. Insurance Company
Banks, J H, Special Agent, Royal and Queen Insurance Companies
Bates, H L A, Manager, Shawnee Insurance Company
Benner, Harry, Special Agent, German-American, Phoenix and German Alliance Insurance Companies
Bertheau, C, of Bertheau-Watson Ins Agency
Blanchard, H P, Assistant Secretary, Fireman's Fund Insurance Co.
Branch, F M, Superintendent of Agencies, New York Underwriters
Breeding, W H, Special Agent, Aetna Insurance Company
Brooks, Geo W, Secretary California Insurance Company
Broomell, B B, Special Agent and Adjuster, Tacoma, Wash.
Brown, A M, of Edward Brown & Sons, General Agents, Svea, Agricultural and Globe & Rutgers
Brown, H H, of Edward Brown & Sons
Brush, R G Special Agent, Liverpool & London & Globe Ins. Co.
Burgard, John H, General Agent, Spring Garden Insurance Company
Burger, C H, with Western Assurance Company
Burke, H R, Special Agent, Royal and Queen Insurance Companies
Buswell, H C R, Supt. of Agencies, California Insurance Company
Boyd, R T, Special Agent, London Assurance Company
Caine, E P, with McNear & Wayman General Agency
Christensen, Chas, of Christensen & Goodwin, Managers, American Central, St. Paul and Mercantile Insurance Companies
Chapuis, F A
Cobb, James F, Manager, Dixie Fire Insurance Company
Cassell, W P, Secretary, International Fire Ins. Co.

Cleveland, W W, Special Agent, McNear & Wayman General Agency
Codding, Geo C, Special Agent, Springfield Insurance Company
Conroy, T J, of Conroy & Grim, Managers, Caledonian and Aachen & Munich Insurance Companies
Cosgrove, J E, Special Agent, Catton, Bell & Co. Agency
Crandall, J E, Special Agent, Springfield F. & M. Insurance Company
Crux, Geo A, Assistant Manager, Caledonian Insurance Company
Curtis, J F D, Manager, Providence-Washington Insurance Company
Danker, H, with J H Ankele General Agency
Davis, A G, Special Agent, E E Potter's Agency
Davies, Arthur P, with Edward Brown & Sons
Dearborn, G W, Special Agent, McNear & Wayman Agency
DeLappe, R Special Agent, American Central, St. Paul and Mercantile Insurance Companies
Dennis, Jas J, Special Agent, Hartford Fire Insurance Company
Dennis, Wm, Special Agent, Hartford Fire Insurance Company
Devlin, Frank J, Manager, Atlas and Atlas-Manchester Assurance Cos.
Devine, Geo E, Special Agent, Hartford Fire Insurance Company
DeVeuve, Clarence, General Agent Dubuque F. & M. Insurance Company
Dibble, L L, Special Agent, Christensen & Goodwin Agency
Dickson, Frank W, of Dickson & Thieme, General Agents, Concordia Fire and German Fire Ins. Cos.
Dollard, Robert E, Special Agent, Hartford Fire Insurance Company
Dornin, Geo W, Manager, Springfield Insurance Company
Dornin, John C, Assistant Manager, Springfield Insurance Company
Drennen, Wm A, Metropolitan Manager, National Union Fire Ins. Co.
Duckels, Thos W, Special Agent, Edward Brown & Sons General Agency
Dutton, W J, President, Fireman's Fund Insurance Company
Dutton, Grayson, Special Agent, Fireman's Fund Insurance Company
Eitel, Edw E, Independent Adjuster, San Francisco
Eldred, E P, Special Agent, Royal Insurance Company
Elster, F H, Special Agent, Atlas Assurance Company
Emerick, F L, Special Agent, Washington Fire Insurance Company
Fabj, R P, Special Agent, Liverpool & London & Globe Insurance Co.
Farnsworth, Ed P, Independent Adjuster, San Francisco
Farr, F H, Special Agent, Royal and Queen Insurance Companies
Faymonville, Bernard, Vice-President, Fireman's Fund Insurance Co.
Flack, E B, Special Agent, Christensen & Goodwin General Agency
Fogarty, J T, Assistant Manager, Royal and Queen Insurance Companies
Folger, Clinton, Joint Manager, New Zealand Insurance Company
Folger, Roy S, Special Agent, Royal and Queen Insurance Companies

Folger, Herbert, Assistant General Agent, German-American, Phoenix and German Alliance Insurance Companies
Frazier, W A, Special Agent, Christensen & Goodwin Agency
Froiseth, Bernard, Special Agent Insurance Company of North America
Fores, Harry W, General Agent, Scottish Union & National and State Fire Insurance Companies
Fortmann, W G, Special Agent, Caledonian Insurance Company
Francis, Guy, Special Agent, Connecticut Fire Insurance Company
French, John S, Special Agent, Fireman's Fund Insurance Company
Frith, T T, Special Agent, London Assurance Company
Fuller, J H, Special Agent, Scottish Union and National Insurance Co.
Fuller, J L, Assistant Manager, Norwich Union Fire Insurance Society
Gay, J R, Special Agent, Phoenix Assurance Company
Gabrielson, C D, Special Agent, Royal and Queen Insurance Companies
Gallegos, R, Assistant General Agent, Phoenix Assurance Company
Gerould, P E, Special Agent, Sun and Michigan Insurance Companies
Gibbons, W H, Supt. of Agencies, Edward Brown & Sons' Gen'l Agency
Giesy, A W, Special Agent, National Fire Insurance Company
Gill, W S, Special Agent, C. A. Herny & Co., General Agency
Gilliland, Adam, General Adjuster, Hartford Fire Insurance Company
Goodwin, Benjamin, of Christensen & Goodwin, Managers, American Central, St. Paul, and Mercantile Insurance Companies
Gordon, Harry F, of Gordon & Hoadley, General Agents, American Insurance Company
Goggin, Gerald E, with London and Niagara Insurance Companies
Gray, George T, Special Agent, Christensen & Goodwin General Agency
Greenwalt, C L, Special Agent, Providence-Washington Ins. Co.
Grant, H M, Independent Adjuster, Portland, Oregon
Griffith, P H, Special Agent, Hartford Fire Insurance Company
Grim, Alfred R, of Conroy & Grim, Managers, Caledonian, Aachen & Munich Ins. Co.
Grove, W W, Special Agent, Hartford Fire Insurance Company
Gunn, John W, Deputy Assistant Manager, Liverpool & London & Globe Insurance Company
Holloway, L C, Special Agent, E E Potter's Agency
Heuer, Geo F, Special Agent, Commercial Union and Palatine Ins. Cos.
Heuer, G A R, Special Agent, Aetna Insurance Company
Hale, L M, Special Agent, Edward Brown & Sons' General Agency
Hammond, J J, Special Agent, Fireman's Fund Insurance Company
Hall, O N, Special Agent, Phoenix Assurance Company
Hall, Henry, Independent Adjuster, Spokane, Wash.

Hamilton, J K, Assistant General Agent, Insurance Co. of North America
Harrison, J Hunter, with Insurance Company of North America
Harold, C R, Special Agent, London Assurance Company
Hatcher, J B, Special Agent, German-American Insurance Company
Haven, Chas D, Manager, Liverpool & London & Globe Insurance Co.
Hawhurst, C W, Special Agent, New Zealand Insurance Company
Henry, Carl A, of C A Henry & Co., General Agents, Sun Insurance Office, Michigan Fire & Marine Insurance Co. and Sun Ins. Co.
Hougaard, J A, Special Agent, North British & Mercantile Insurance Co.
Howard, J C, Special Agent, New York Underwriters
Hewitt, Dixwell, of Palache & Hewitt, Genl. Agents, Hartford Fire Ins. Co.
Hildreth, H P, Special Agent, British-America and Western Insurance Cos.
Hill, Chas B, Special Agent, German-American and Phoenix Ins. Cos.
Hill, Chas S, Special Agent, McNear & Wayman Agency
Hill, Wm H, Special Agent, Edward Brown & Sons General Agency
Hoadley, G O, of Gordon & Hoadley, General Agents, American Ins. Co.
Hopkins, W B, Special Agent, London & Lancashire Fire Insurance Co.
Houseworth, Harrison, Special agent, Liverpool & London & Globe Insurance Company
Hunter, F L, Resident Manager, Northern Assurance Company
Hunter, R D, Superintendent of Agencies, Fireman's Fund Insurance Co.
Irving, Washington, General Agent, Phoenix Assurance Company
Ives, S D, Vice President, Home F. & M. Insurance Company
Jackson, W A,
Jacoby, Franz, Independent Adjuster, San Francisco
Johnston, J C, of Bailey & Johnston, General Agents, Insurance Company of North America
Kaltz, Bruce, Special Agent, National Fire Insurance Company
Kellam, F B, Branch Secretary, Royal and Queen Insurance Companies
Kenny, J J, Manager, Western Assurance and British America Assurance Company
Kinne, C Mason, Assistant Manager, Liverpool & London & Globe Ins. Co.
Klinger, Wm M, Special Agent, Fireman's Fund Insurance Company
Koempel, H C, Independent Adjuster, San Francisco
Kuhl, Wm F, Special Agent, Insurance Company of North America
Knowles, E C F, Special Agent, Phoenix Assurance Company
Lamey, H T, Manager Western Assurance and British-America Assurance Companies, Denver, Colorado
Lamping, L F, Oregon State Agent, Royal Exchange Assurance Company
Langley, Chas L, Special Agent, Concordia and German Fire Ins. Cos.
Lindsay, A N, Special Agent, California Insurance Company

Lockey, Richard, Independent Adjuster, Helena, Montana
Lord, H Leslie, Special Agent, Sun and Michigan Insurance Companies
Lowden, W H, Manager, Norwich Union Fire Insurance Society
Lyndall, Chas P, Special Agent, New Zealand Insurance Company
Macdonald, Wm, of Macdonald & Miles, General Agents, Westchester, Delaware and Camden Insurance Companies
Macdonald, Burns, of Macdonald & Miles, General Agents
McCarthy, C V, Special Agent, Pennsylvania Fire Insurance Company
McGee, J F, Manager, Associated Underwriters
McKinley, L M, Special Agent, Law Union & Rock Insurance Company
McKowen, J H, Independent Adjuster, Los Angeles, Cal.
Manheim, H S
Mann, H R, Manager, New York Underwriters' Agency
Manning, F J H, Special Agent, Commercial and Palatine Insurance Cos.
Manning, William, Special Agent, Atlas Assurance Company
Lloyd, W G, Independent Adjuster, Portland, Oregon
Lorigan, B W, Special Agent, Hartford Fire Insurance Company
Main, Geo C, Independent Adjuster, Seattle, Wash.
Mann, H R, Jr., Special Agent, H R Mann & Company
O'Brien, H E, Special Agent, Aetna Insurance Company
O'Brien, J T, Special Agent, Royal and Queen Insurance Companies
Manton, E Grenville
Mariner, G S, Special Agent, Norwich Union Fire Insurance Society
Maris, Wm, Independent Adjuster, San Francisco
Mayer, F J Alex, Oregon State Agent, Fire Association of Philadelphia
Meade, Calvert, Independent Adjuster, Secretary Fire Underwriters' Association, San Francisco
Medcraft, R C, with Catton, Bell & Company
Mel, Louis, Special Agent, Aetna Insurance Company
Mendell, Geo H, Jr.
Mendell, Jno M, Special Agent, London and Niagara Insurance Companies
Mesick, S P, Superintendent of Agencies, Pennsylvania Fire Insurance Co.
Miles, D E, of Macdonald & Miles, General Agents, Westchester, Delaware and Camden Insurance Companies
Miller, Chas E, Special Agent, Hartford Fire Insurance Company
Miller, W L W, Assistant Manager, British-America and Western Assurance Companies
Morgan, E C, Special Agent, Providence-Washington Insurance Company
Morgan, W O, Special Agent, Hartford Fire Insurance Company
Morrison, E C, General Agent, Aetna Insurance Company
Morrow, J H, Special Agent, Commercial Union Assurance Company

Murphy, Joseph A, Special Agent, Aetna Insurance Company
Nason, A G, General Agent, Continental Insurance Company
Niebling, E T, Manager, Commercial Union and Palatine Insurance Cos.
Niemann, C F E, Special Agent, German-American Insurance Company
Nippert, Paul M, General Agent
Osborn, R W, Manager, Pennsylvania Fire Insurance Company
Olney, P de S, Branch Secretary, Commercial Union and Palatine Ins. Cos.
Palache, Whitney, of Palache & Hewitt, General Agents, Hartford Fire Insurance Company
Parker, D A, Special Agent, New Zealand Insurance Company
Parkhurst, H E, Special Agent, Commercial Union Assurance Company
Parrish, Edwin, Joint Manager, London and Niagara Insurance Companies
Penfield, A J, with Atlas Assurance Comyany
Perry, F J, Special Agent, Royal and Queen Insurance Companies
Pierce, D W
Porep, Walter P, Special Agent, Edward Brown & Sons
Potter, E E, Manager, E E Potter's General Insurance Agency
Potter, W W, Assistant Manager, E E Potter's General Insurance Agency
Potter, E G, Special Agent, E E Potter's General Insurance Agency
Penfield B L, Special Agent, H R Mann's Insurance Agency
Quick, J R, Special Agent, Fireman's Fund Insurance Company
Quitzow, V H, Special Agent, Pennsylvania Fire Insurance Company
Quitzow, Chas, Special Agent, Home Insurance Company
Raymond, W H, Special Agent, Liverpool & London & Globe Ins. Co.
Reed, James S, Special Agent, Connecticut Fire Ins. Co.
Richards, J H, Special Agent, German and Spring Garden Insurance Cos.
Robins, F C H, Special Agent, Northern Assurance Company
Rountree, R H, Special Agent, Liv. & London & Globe Insurance Co.
Rowe, E A, Special Agent, McNear & Wayman Agencies
Robins, L H, Special Agent, California Insurance Company
Randall, H W, Special Agent, Christensen & Goodwin Agency
Schallenberger, C A
Sheehan, J J, Assistant General Agent, Home Insurance Company
Sanderson, A G, Assistant General Agent, Aetna Insurance Company
Smith, Geo O, Special Agent, Insurance Company North America
Schoeneman, F J, Special Agent, North British and Mercantile Ins. Co.
Sexton, Wm, General Adjuster, Fireman's Fund Insurance Company
Sherrard, McKee, Special Agent, Fireman's Fund Insurance Company
Smedberg, W R
Smith, Benj J, Manager, Connecticut Fire Insurance Company
Smith, Frank G

Smith, H Brownson, Independent Adjuster, Butte, Montana
Smith, H H, Manager, Law Union & Rock Insurance Company
Smith, Roderick E, Special Agent, London & Niagara Insurance Company
Smith, C W
Spaulding, M E, Special Agent, Hartford Fire Insurance Company
Spears, J V, Special Agent, Fireman's Fund Insurance Company
Speyer, Walter M, Joint Manager, New Zealand Insurance Company
Staniford, F C, Special Agent, Norwich Union Fire Insurance Society
Stewart, D L, Special Agent, Royal Insurance Company
Stewart, Neil, Special Agent, London and Niagara Fire Insurance Cos.
Stich, R G, Special Agent, Western Assurance Company
Stovel, C J, Manager, Sovereign Fire Assurance Company
Stoy, Samuel B, Special Agent, London & Lancashire Insurance Company
Thieme, Oscar, of Dickson & Thieme, General Agents, Concordia Fire and German Fire Insurance Companies
Thompson, Chas R, Special Agent, Fireman's Fund Insurance Company
Thomson, M H, Assistant General Agent, National, Colonial Fire Underwriters and Mechanics & Traders
Thornton, A W, Joint Manager, London and Niagara Insurance Cos.
Thornton, A C, Special Agent, Fireman's Fund Insurance Company
Tickner, H B, Special Agent, Fireman's Fund Insurance Company
Tiedemann, T J A, General Agent, Michigan Commercial Insurance Co.
Tower, Frank H, Independent Adjuster, Los Angeles
Trumbull, J B
Tyson, Geo H, General Agent, German-American, Phoenix and German-Alliance Insurance Companies
Urmston, J K, Special Agent, Royal and Queen Insurance Companies
Van Valkenburg, Chas, Special Agent, Edward Brown & Sons Agency
Walden, J B, Special Agent, Royal and Queen Insurance Companies
Shanklin, T C, Independent Adjuster, Portland, Oregon
Staniford, Geo F, Special Agent, Fire Association
Sifford, B A, Special Agent, California Insurance Company
Swan, Geo W, Special Agent, Commercial Union and Palatine
Swift, C A, Special Agent, Fireman's Fund Insurance Company
Tomlinson, Percy, Special Agent, Home Insurance Company
Thompson, E R, Special Agent, H. R. Mann's Insurance Agency
Wardle, Wm, Special Agent, Law Union & Rock Insurance Company
Watson, I S, Special Agent, Christensen & Goodwin Agency
Watson, Kenneth, of Bertheau & Watson Insurance Agency
Ward, C H, General Agent, Firemen's and Eastern Insurance Companies
Warner, J W, Special Agent, California Insurance Company

Waters, J N, Special Agent, Sun and Michigan Insurance Company
Watt, Rolla V., Manager, Royal and Queen Insurance Companies
Wayman, W O, of McNear & Wayman, Managers, National, Colonial Fire Underwriters and Mechanics & Traders Insurance Companies
Webber, J F R, Special Agent, Springfield F. & M. Insurance Company
Weinmann, Louis, Secretary, Fireman's Fund Insurance Company
Wellington George J
Wendler, Chas A, Special Agent, Edward Brown & Sons' Agency
Westlake, W B, Special Agent, Edward Brown & Sons
Whelan, W D, Special Agent, Fireman's Fund Insurance Company
White, F G, Special Agent, Fireman's Fund Insurance Company
Whitmer, A W
Whitley, N B, Independent Adjuster, Seattle
Windus, W V, Special Agent, Catton, Bell & Co.
Williams, T H, Special Agent, German-American, Phoenix and German-Alliance Insurance Company
Wright, A C, Special Agent, MacDonald & Miles Agency
Weinmann, P R, Special Agent, California Insurance Company
Wilkie, Andrew, Appraiser, San Francisco
Wyper, James, Manager, London and Lancashire Fire Insurance Co.
Young, E J, Special Agent, North British & Mercantile Insurance Co.
Young, Frank H, Special Agent, Springfield Insurance Company
Young, Walter H, Special Agent, Michigan Commercial Insurance Co.
Zwick, Wm F, Special Agent, Christensen & Goodwin Agency

HONORARY MEMBERS.

Bigelow, H. H., Fresno Co., Cal.
Bacon, E. H., San Francisco
Butler, Geo. E., San Francisco
Chard, Thomas S., Chicago, Ill.
Carey, Jas. A., San Francisco
Cofran, J. W. G., Hartford, Conn.
Dickson, Robt., New York
Donnell, S. M., San Francisco
Drew, Cyrus K., Denver, Colo.
Du Val, W. S., San Francisco
Driffield, V. Carus, London, England
Edwards, L. B., San Francisco
Grant, Tom C., San Francisco

Gurrey, A. R., Honolulu, H. I.
Heifner, C. G., Olympia, Wash.
Herold, Rudolph, San Francisco
Hitchcock, C. I., Louisville, Ky.
Laton, Chas. A., San Francisco
Marshall, John, Jr., Chicago, Ill.
Mullins, C F., London, England
McElhone, F. H., Chicago, Ill.
McKenzie, Lee, Seattle, Wash.
Mohrhardt, E. F., San Francisco
Neal, Robt. W., San Francisco
Nichols, Hon. S. H., Olympia, Wash.
Niles, Edward, New York
Piver, J. C., San Francisco
Porter, F. H., San Francisco
Robertson, Geo. N., San Francisco
Stillman, Alfred, San Francisco
Stone, J. C., Portland, Oregon
Smith, A. D., Oakland, Cal.
Taffinder, W. D., San Francisco
Thompson, E. L., Portland, Oregon
Wilson, D. B., San Francisco
Wilson, John Scott, San Francisco
Williams, S. G., Denver, Colo.
Winne, Peter, Denver, Colo.



San Francisco Addresses of the Officers of the Fire Underwriters' Association of the Pacific for the Year 1910.

Frank C. Staniford, President . . . . . 558 Sacramento
T. J. A. Tiedemann, Vice-President . . . . . 314 California St.
Calvert Meade, Secretary-Treasurer . . . . . 558 Sacramento St.
J. P. Moore, Asst. Secretary and Librarian . . . . . 1401 Merchants' Exchange Bldg
Adam Gilliland, Chairman Executive Committee . 430 California St.
A. W. Thornton, Editor Knapsack . . . . . 160 Sansome St.
A. C. Thornton, Associate Editor Knapsack . . . 401 California St.
Association Library Room . . . . 1401 Merchants' Exchange Bldg.

FIRE UNDERWRITERS' ASSOCIATION OF THE PACIFIC

OFFICERS FOR 1910.

President . . . . . Frank C. Staniford
Vice-President . . . . . T. J. A. Tiedemann
Secretary and Treasurer . . . . . Calvert Meade
Assistant Secretary and Librarian . . . . . J. P. Moore

EXECUTIVE COMMITTEE.

Adam Gilliland — Rolla V. Watt
Frank C. Staniford — A. W. Thornton
Louis Weinmann
T. J. A. Tiedemann and Calvert Meade ex-officio members,

DINNER COMMITTEE.

Dixwell Hewitt — W. B. Hopkins

CALIFORNIA KNAPSACK.

A. W. Thornton . . . . . Editor
A. C. Thornton . . . . . Associate Editor

Thirty-Fifth Annual Meeting

OF THE

Fire Underwriters' Association

OF THE PACIFIC

HELD IN SAN FRANCISCO,
CALIFORNIA,
JANUARY 10-11, 1911

PROCEEDINGS

OF THE

Thirty-fifth Annual Meeting

OF THE

Fire Underwriters' Association

OF THE PACIFIC

San Francisco, Cal., January 10–11, 1911

Printed by Order of the Association

1911

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Fire Underwriters' Association of the Pacific

OFFICERS FOR 1910

President . . . . . Frank C. Staniford
Vice-President . . . . . T. J. A. Tiedemann
Secretary and Treasurer . . . . . Calvert Meade
Assistant Secretary and Librarian . . . . . J. P. Moore

EXECUTIVE COMMITTEE

Adam Gilliland — Rolla V. Watt
Frank C. Staniford — A. W. Thornton
Louis Weinmann
T. J. A. Tiedemann and Calvert Meade, ex-officio members

DINNER COMMITTEE

Dixwell Hewitt — W. B. Hopkins

CALIFORNIA KNAPSACK

A. W Thornton . . . . . Editor
A. C. Thornton . . . . . Associate Editor



FRANK C. STANIFORD

Special Agent Norwich Union Fire Insurance Society

Fire Underwriters' Association

OF THE PACIFIC

FIRST DAY

San Francisco, Cal., January 10, 1911.

The following members and guests were present at the annual meeting of January 10 and 11, 1911:

Aaron, C F
Anderson, A C
Anderson, C H
Ankele, J H
Archer, R T
Atkins, F E
Avery, F M
Bates, H L A
Bacon, E H
Barsotti, C L
Bailey, A E
Banks, J H
Blanchard, H P
Brown, A M
Brown, H H
Branch, F M
Brooks, Geo W
Brush, R G
Burke, H R
Carey, James A
Caine, E P
Chapuis, F A
Christensen, Chas
Cleveland, W W
Coogan, T C
Codding, Geo C
Cosgrove, J E
Crux, Geo A
Crandall, J E
Curtis, J F D
Danker, H
Davies, A P
Devine, Geo E
DeLappe, P
Dibble, L
Dornin,
DuVal,
Dutton, G
Emery, R
Fabj, R P
Farnsworth, P
Faust, M E
Fisher, Jr, I M
Folger, Herbert
Folger, Clinton
Fortmann, W G
Fogarty, John T
Frith, T T
Frazier, W A
French, John S
Fritschi, John B
Francis, Guy
Froiseth, Bernard
Fuller, J H
Fuller, J L
Gabrielson, C D
Gallegos, R
Gerould, P E
Gill, W S
Gilliland, Adam
Gibbons, W H
Gordon, H F
Goodwin, Benj
Goggin, G E
Gray, Geo T
Greenwalt, C L
Gunn, John W
Hamilton, J K
Hall, Otho N
Hatcher, J B
Harold, C R
Hewitt, Dixwell
Hildreth, H P
Hoadley, Geo O
Houseworth, H
Hougaard, J A
Hunter, Frank L
Irving, Washington
Jones, A W
Johnsen, J E
Kelly, McClure

Kellam, F B
Kenna, J R
Kinne, C Mason
Klinger, Wm M
Knowles, E C F
Kuhl, Wm F
Lanagan Fred K
Lloyd, W G
Lowden, E Kenneth
Lowden, W H
Lyndall, C P
Mariner, G S
Maris, William
Main, Geo C
Mason, James
McCartney, M P
McCune, J N
McKinley, L M
McKowen, J H
Merrill, Wm H
Mesick, S P
Meade, Calvert
Miller, W L W
Miles, D E
Miller, Chas E
Morrison, E C
Mohrhardt, E F
Morgan, W O
Moulton, R H
Mullins, C F
Neal, R W
Osborn, R W
Patterson, W M
Penfield, B L
Piver, J C
Porter, F H
Quitzow, V H
Randall, H W
Raymond, W H
Reeves, M H
Robertson, G N
Rosenblatt, G
Rohrer, C W
Rowe, E A
Rogers, L B
Schoenemann, F J
Sexton, Wm
Shankland, T C
Sherrard, McKee
Sheahan, J J
Smith, H Brownson
Smith, Rod E
Smith, Geo O
Smith, H H
Smith, Benj J
Spaulding, M E
Spencer, D A
Staniford, F C
Stewart, D L
Taffinder, W D
Tefft, A L
Thornton, A C
Thornton, A W
Thornton, H A
Thompson, C R
Thomson, M H
Thompson, E R
Tiedemann, T J A
Tomlinson, Percy
Tower, F H
Urmston, J K
Von Tagen, Chas W
Waters, J N
Watt, Rolla V
Waggaman, J L M
Wayman, W O
West, Fred A
Weinmann, Louis
Webber, J F R
Whelan, W D
Windus, W V
Williams, T H
Young, W H
Zwick, Wm F

The President –Gentlemen of the Association: The meeting will please come to order. The first matter on the program is the calling of the roll, and I believe it is usual to dispense with that.

Mr. Lowden—I move it be dispensed with.

Motion seconded and unanimously carried.

The President—The next is the reading of the minutes, and I believe that is also dispensed with. I will entertain a motion to that effect.

Mr. Lowden—I move that the reading of the minutes be dispensed with.

Motion seconded and unanimously carried.

The President—The next order of business is the report of the Secretary-Treasuser. Will Mr. Meade kindly read his report?

The Secretary—I now have the honor of submitting to you my report for the year ending this day.

FINANCIAL STATEMENT.

RECEIPTS.

Balance in Bank of California, January 1, 1910		$ 618 53
Received for Annual dues	$1,435 00	
" " Initiations	190 00	
" " Insurance literature	20 00	
" " Annual Proceedings	18 00	
" " Dividends on one share Fireman's Fund stock	15 00	1,678 00
		$2,296 53

DISBURSEMENTS.

Paid rent for extra chairs	$ 7 20	
Balance of Secretary salary to date	250 00	
Floral piece	10 00	
Subscriptions for periodicals, dues and books	76 04	
Stenographic report Annual meeting	54 00	
Stationery, printing, binding and supplies	533 35	
Librarian salary for year 1910	705 00	
Deficit annual banquet	62 80	
Library Bureau for unit case	14 40	
Memorial—F. R. Stover	15 00	
Ins. Institutes of America for booklets	14 57	
Secretary salary for year 1910	100 00	
Postage, telephone, express and delivery	55 55	1,897 91
Balance in Bank of California		$398 62

INSURANCE INSTITUTE.

No transactions during 1910.

Balance in Bank of California	$125 55

Audited and found correct.

(Signed) F. C. STANIFORD,
T. J. A. TIEDEMANN.

Active members, January 12, 1910	284	
Elected during the year	19	303
Deceased	4	
Resigned	2	
Dropped for non-payment of dues	3	9
Total active members January 11, 1911		294
Total honorary members January 11, 1911		39
Total membership January 11, 1911		333

PUBLICATIONS ON HAND AND PRICES FIXED BY EXECUTIVE COMMITTEE.

184	copies 1906 Annual Proceedings	$0.50 each
160	" 1907 " "	.50 "
127	" 1908 " "	.50 "
77	" 1909 " "	.75 "
47	" 1910 " "	1.00 "
259	" Buildings of Reinforced Concrete, Prof. Chas. Derleth	.25 "
150	" Water Supply of Cities, Prof. Chas. G. Hyde	.25 "
375	" Measure of Manufacturers' Damage, W. H. Lowden	.25 "
308	" Adjustments Old and New, E. Niles	.25 "

The President—You have heard the reading of the report of the Secretary and Treasurer. What do you wish to do with it?

Mr. Lowden—I move that it be received and placed on file.

Motion seconded and unanimously carried.

The President—Have you any applications for membership, Mr. Secretary?

The Secretary—The names of the applicants are as follows, duly proposed and seconded, viz:

A. C. Anderson, Special Agent New York Underwriters Agency
Frank E. Atkins, Special Agent Michigan Commercial Ins. Co.
Charles L. Barsotti, Special Agent Fire Association of Philadelphia
E. M. Brodenstein, Special Agent Law Union & Rock Ins. Co.
E. G. Doerfler, Manager Los Angeles Fire Ins. Co.
R. D. Emery, Special Agent Christensen & Goodwin Agency
M. E. Faust, Adjuster, Los Angeles, California
John B. Fritschi, Special Agent Christensen & Goodwin Agency
I. M. Fisher, Jr., Special Agent Norwich Union Fire Ins. Society
Wm. P. Folger, of Hall & Folger, Adjusters, Spokane, Wash.
J. Edward Johnsen, Special Agent London and Niagara Ins. Cos., Spokane, Wash.
Fredk. K. Lanagan, Special Agent Fireman's Fund Ins. Co.
E. Kenneth Lowden, Special Agent Norwich Union Fire Ins. Society
W. M. Patterson, Special Agent Union Assurance Co.
George F. Roberts, Special Agent Phœnix Assurance Co.
Cleland W. Rohrer, Special Agent London and Niagara Ins. Cos., Los Angeles, Cal.
C. S. Spinney, Special Agent Fire Association of Philadelphia
Chas. W. Von Tagen, Special Agent Connecticut Fire Ins. Co.
J. L. M. Waggaman, Special Agent Franklin & Reliance Ins. Cos.
For honorary membership, Mr. D. A. Spencer.

The President—So far as you know all of the applicants are eligible for membership?

The Secretary—I believe so.

The President—I will entertain a motion that the Secretary cast the ballot for the Association.

Mr. Lowden—I move that the Secretary cast the ballot.

The Secretary—The ballot has been cast.

The President—I declare the applicants, whose names were read by the Secretary, duly elected as members of this Association.

The President—I now call for the report of the Librarian.

LIBRARIAN'S REPORT.

J. P. MOORE.

As Librarian of the Association I am expected to make an annual report on the subject of the library. I have heretofore spoken to you of the system of classification, of the nature and number of the books, and of the needs of the library. I shall not dwell on these subjects at any length.

The library has been much more used and consulted during the past year than ever before. Its growth has not been such as we hoped or expected, nor has it kept pace with the needs of the members.

Donations have been most liberal from the various institutes at home and abroad. The United States Government has furnished us with many valuable works. At home we have been most liberally treated by the various insurance papers and the Coast Review and Adjuster. We have also received many valuable books, papers, magazines, etc., from the Fireman's Fund Insurance Company, the Springfield Insurance Company, the New Zealand Insurance Company and the Liverpool & London & Globe Insurance Company. Reports have been also received from the various Insurance Commissioners of this Coast, and also from the Insurance Commissioners of Canada.

Special mention should be made of the valuable proceedings of the International Association of Fire Engineers; also of the reports of the National Board of Fire Underwriters and the National Fire Protection Association. Many other important papers have been sent us by our Eastern friends.

During the year we have been looking over our works on Marine Insurance and to our surprise find that we have nearly as much bearing on marine as fire insurance. This leads me to remark that in every country where such organizations as ours exist, the fire and marine work together in the matter of institute and library work. Why they are disassociated here perhaps you can tell; I cannot. The Marine Association, like ourselves, lost their library in the great conflagration. I am told that they now have a bookcase. Can you not co-operate with them and by your already valuable collection be of value to their members?

The work of the Librarian has been peculiar in some respects this past year in that we have had a number of students that have come in to take regular lessons. As best I could with the material at hand I have helped these students in their work, and they are now pursuing their regular studies as before.

During the year just past you have become one of the charter members of the Insurance Institutes of America, and during the present year you will

require an addition to your library — a very material addition by some means—because these students will require duplicates of the books and still further literature upon the different subjects for the examinations that are to be held.

The question arose, as Mr. Folger can tell you very well, as to the advisability of the Fire Underwriters' Association publishing a list of all the works touching fire insurance during the year, and the matter was referred back to this little pamphlet which I hold in my hand, issued by the Library Association of Boston. We have pursued the same course in our own library; that is, of making a note of everything that has been published during the year touching fire insurance, but we have published nothing. They have taken up the same subject and published something, so that those of you who are adjusters, or special agents, or local agents or managers, can, with this in front of you, tell exactly what has been published during the year. It is an exceedingly valuable contribution, and perhaps some steps may be taken so that we may have it in our own library.

Those of you who take any interest in the matter may look over the proceedings of the first annual meeting of the Institute and learn what the course of study will be for this year. Books you must have for these students, and here at the risk of detaining you too long, I wish to read you what they did.

You have before you a brief account of the organization, but not of how they felt towards the library. Our library ought to be called an adjuster's library. Thirty-four adjusters gathered October 28th, 1875, in that so-called "Palace Car" at Virginia City, and talked over the matter. They were alive to their work and knew the value of a library. They felt that there must be some place where they could go for information.

When they came back to San Francisco, twenty-eight out of the thirty-four formed themselves into the Association of which you today are members, ten times as many of you as there were. About the first thing they did was to organize a library committee and they assessed themselves $10 apiece.

The library committee consisted of George W. Spencer, R. H. Magill, and B. C. Dick. Men of brains and energy were those three worthies. See now how they went to work. I will read you the report, for it is of value inasmuch as but three or four copies of their proceedings can be found in the world.

"The work of your Committee on Library during the past year does not call for a lengthy report and therefore, like the quality of mercy, 'is twice blessed.' We have got a library, and we have now the pleasure and the satisfaction of presenting to you the first fruits of our work in a collec-

tion of text-books and professional miscellany, which, though of modest size, and by no means so complete as we hope yet to see it, is nevertheless entitled to be called a library! It is a vested interest, has a black walnut bureau of native make (value $50), a lock, a key and a catalogue; and, take it all in all, as it now stands, it is a practical proof that our Association means business and does not intend to die of inaction. No one who enjoys the privilege of intimate intercourse with the members of the underwriting fraternity of the Pacific Coast can say that, as a body, they lack the elements of good fellowship in a fair share of vivacity and 'chic.' Indeed, they dearly love a joke, even at the expense of a neighbor, and their relentless fights for 'biz' are carried on with a degree of ready humor and wit both bright and keen, if somewhat cutting, that do not belong to dull boys; while for genial flow of soul, and hearty merriment, there are few symposia so racy and exhilarating as a spontaneous gathering of representatives after a hard day's tough adjustment of some remote big fire. The evenings at Virginia City during October of 1875, at one of which the happy thought of a permanent Association had birth, will gild the memories of the participants as a veritable 'Noctes Ambrosianæ.' Let no one fancy, however, that the profession is all beer and skittles, or that the object of our meeting here is to dissipate idle hours, in high or low jinks. A glance at the contents of our library will effectually dispel such idea. No light literature burdens our shelves, and it would require a hopelessly abandoned mind to torture amusement out of such specimens as 'May on Insurance,' 'Sansuon's Digest,' 'Municipal Reports' or even 'Griswold's Fire Underwriter's Text Book.' It is not from such distillations, or from such *taps* that the high-minded usually seek intoxication, although the indispensable and ably conducted Coast Review doubtless contains a few curiosities of literature which might tempt the profane to trifle, and 'Bennett's Cases' may possible suggest to perversely ingenious imaginations grim subjects of humorous comment. Try them. It is unnecessary for us to detain such a meeting as this by dilating upon the value of a library of reference. The Veterans and Nestors of the profession will be the last to underrate it, while to those who are beginning their experience and have their spurs to win, the advantage of access to well selected text-books and special legal authorities is too selfevident to require pressing. There is one little luxury connected with such advantage which has to be tested to be thoroughly appreciated. When one of those able and ingenious fellows—pragmatic, or twist-'em-around—evolves finely spun sophistries from his inner consciousness, it is delightful to be able to point to a text or a standard authority and say, 'all very well, my friend, but thus it is written — thus saith the Law.' We do not wish to cackle too pretentiously over our little nest egg, but in

presenting to you our modest library, we would simply express the hope that its unquestioned advantage will be *used*, and that with the appreciation that comes of use you will soon ask for more. Donations of suitable works or pamphlets will be thankfully received."

The President—Mr. Moore has given us a very interesting report going back into ancient history, and it is extremely valuable. What do you wish to do with the report of the Librarian?

Mr. Fuller—I move that it be received and placed on file.

Motion seconded and unanimously carried.

The President—We will now have the report of the Executive Committee.

REPORT OF EXECUTIVE COMMITTEE.

Gentlemen of the Association:

During the year the Executive Committee met four times, the meetings being occupied with the transaction of the routine business of the Association.

The attention of members is called to the publication by the Association of two pamphlets—one being a collection of the stories of Ed. Niles, which have appeared at various times in the Knapsack; the other being a revised edition of Mr. Lowden's "Measure of Manufacturers' Damage." Both these pamphlets are on sale at the Library, price 25 cents each.

The salary of the Librarian was fixed at $60, from April 1, 1910. The accounts of the Secretary-Treasurer have been audited and found correct. There is a balance of $398.62 to the credit of the Association in the Bank of California and $125.55 to the credit of the Insurance Institute of San Francisco.

We would suggest the advisability of this Association seeking closer affiliation with the local insurance clubs and societies which were organized to perform some function or fill some want, which this Association evidently does not fill. By co-operation with each other it would appear that larger funds would be available for purposes which are common to all.

Adam Gilliland, Chairman,
Rolla V. Watt,
Louis Weinmann,
F. C. Staniford,
A. W. Thornton.

The President—Gentlemen, you have heard the report of the Executive Committee. What is your pleasure?

Mr. Folger—I move that it be referred to the Committee on President's Address.

Motion seconded and unanimously carried.

The President—We will now take up the matter of voting on the amendments to the Constitution. In November, 1910, I presume each member received a copy of the proposed amendments. I will ask the Secretary to read them.

The Secretary—This notice was sent out: "San Francisco, November 10, 1910. At the regular quarterly meeting of the members of the Fire Underwriters' Association of the Pacific the following amendments to the Constitution were unanimously proposed: First—That so much of Article VII, lines 1 and 2 thereof, be amended to read as follows: The annual dues of this Association shall be $6.00, payable in advance. The present Article, lines 1 and 2, reads as follows: The annual dues of this Association shall be $5.00, payable in advance." I suppose it will be better to take these up separately.

Mr. Gunn—I move that the amendment to Article VII be adopted as read.

Mr. Kinne—I second the motion.

Mr. Thornton—That is for the increase of the dues?

Mr. Gunn—Yes.

Mr. Thornton—As one of the committee I voted to have the matter brought up for action, but candidly I do not believe the amendment should be adopted. I think $5.00 is sufficient. The object of increasing the dues is to support the library, but that is supposed to come from some other source instead of from the dues. The outside members never have an opportunity to visit the library; therefore, I arise to explain why I will vote against the amendment.

Mr. Folger—Since an objection has developed I would be very glad if the Executive Committee would explain the chief reason

for increasing the dues. I was not present at the last meeting.

The President—I do not really know who was there myself.

Mr. Thornton—The object in increasing the dues was simply to maintain the library. The Treasurer's report, as I recollect it, shows that we have enough money coming in from annual dues to run the Association, but we do not have sufficient money to buy new volumes and continue the library in the future as it has been conducted in the past. The object of increasing the dues as I understand it, is purely and simply to continue the library. My objection to the amendment is, that the support of the library should not be taxed against the outside members.

Mr. Gunn—I do not believe the stand taken by Mr. Thornton is entirely right, for the reason that the library ought to be supported—ought to be supported by all members whether they live here or outside. It is a regular thing for special agents, and local agents to submit to their offices intricate and complicated questions covering a multitude of phases belonging to our business. Those of us who have the time have to go and dig this knowledge out of the library, because we cannot carry it all in our heads, even if we had schoolmasters' heads, and in that way the library is a source of great value, not only to those living here, but particularly so to the agents and special agents who are constantly seeking this information whenever a row turns up, or a discussion such, for instance, as pertains to the reduced rate average clause, which, as one member says, has neither subject nor predicate in it. For such reasons I am in favor of increasing the dues for the support of the library. It is not a very great increase—it simply means a total of fifty cents a month, and if we can help the library out by paying that much I think it is our duty to do so.

Mr. Kinne—I am entirely in accord with the idea advanced by Mr. Gunn. I attended that meeting and it struck me that the proper thing to do was that all should contribute to whatever was beneficial for the organization, and the library is a very practical part of it. It seems to me that if it were a special tax the whole ground would be covered in one act. Certainly the difference of a dollar a

year amounts to nothing, and I do not think any member of this Association will object to paying that small additional amount. It is small in itself but in the aggregate it amounts to a good deal. It will place us in a position where we will not be troubled so much about finances. If we want more books, and our Librarian has made it very plain to you that we do need them, this will give us the opportunity of purchasing them. We can get such text books and other writings as will place our library in a position where it was before the fire. I am heartily in favor of increasing the dues one dollar a year.

Mr. Sexton—A library is a good thing to have, but the principal benefit of the library to me is the librarian. When I want to know anything I ask the librarian and he finds it for me. I believe that we should provide an income that will support the librarian so that he can help us out when stuck.

Mr. Kinne—Well, he has to read the books to find out.

Mr. Folger—I shall vote for the amendment. I think the library ought to be supported and ought to be increased by the purchase of new books. I quite agree with the remarks made by Mr. Moore, which were very clear and strong, that the library needs adding to, and needs it badly. However, it should be stipulated that the Executive Committee will face the situation at the beginning of the year and see that the total appropriations do not exceed the total income, and that the expense shall include additions to the library out of the increased income. I call for the question.

Motion carried.

The Secretary—I will read the next amendment: "That so much of our Article IX as is included in lines 15 and 16 be amended to read as follows: Guests may be invited by members upon payment of $12.50 for each guest, provided such guest be a person eligible to membership. This amendment if adopted to become effective upon its adoption. The present Article IX commencing at lines 15 and 16 reads as follows: Guests may be invited upon payment of $7.50 for each guest. Insurance officials may be invited at the expense of the Association."

The President—You have heard the reading of the amendment, what do you wish to do with it?

Mr. Fuller—I move its adoption.

Mr. Thornton—I move as an amendment to the amendment that the last phrase "to become effective upon its adoption" be stricken out and the following inserted: "To become effective January 1, 1912."

Amendment seconded.

Mr. Watt—I am opposed to the amendment. I do not care whether you adopt the whole thing or not, but if you are going to adopt it, now is the time, because a great many have refrained from inviting guests anticipating that this amendment would be adopted. It is true that previous banquets have been attended by non-members out of all reason, and it has, I am informed, become embarrassing to certain offices since they did not know where to draw the line. I think we either ought to adopt or reject the amendment as it stands.

Mr. Weinmann—I am not in favor of the amendment as amended. The notification of the amendment to the Constitution as read before this meeting was presented at the earliest moment it seemed necessary. The Executive Committee went over the the ground very thoroughly and threshed it out, and this is the only time it could be brought up. I am, therefore, opposed to the amendment extending it another year.

Mr. Kinne—I am in favor of Mr. Thornton's amendment—strongly and heartily in favor of it. The matter could not be handled by seven or eight members at a regular meeting and receive the consideration that it can here. Now, at our previous meeting, when we increased the cost for invited guests, the matter was postponed until the next meeting for very practical and obvious reasons. And, again, as I understand the amendment, it applies only to those eligible; you cannot even invite the Insurance Commissioner of this State if the original amendment passes, and I understand the Executive Committee has already very properly invited such officials. I don't think we ought to act in a hasty

manner about this. Let us postpone the operation of this amendment, which appears to be a most excellent one, and not have it go into effect this year. Then, again, the question came up about the increase from $7.50 to $12.50, but I don't suppose there will be any objection to that. That is all right enough, but it does seem to me that it is rather taking advantage of the situation. Of course it was proposed at a regular quarterly meeting, but there were only about a dozen there. Some thought one thing was proper and some the other, but as I say, it bars the invitation, even by the Association, of the Insurance Commissioner of this State, or the States of Oregon, Washington, or any others, and I feel that it would be of great advantage to this Association to have them here, look into our faces and talk to us—permit us to talk back and forth—on matters of interest. I am heartily in favor of the amendment and I hope it will carry.

Mr. Zwick—I think it would be unfair to cut out some of the invited guests. They have been invited for a long time, and I don't think it would be right to prevent them from attending the meeting.

Mr. Watt—I am satisfied that it was not intended to cut out insurance officials, and if Mr. Thornton's amendment is defeated, it will be in order to add, "except insurance officials." Insurance officials should be invited; they have always been invited, and it is right that they should be. The other is an entirely different matter. It seems to me that due notice has been given and that this amendment is a just one, and ought to be adopted. It ought to be settled whether any member has a right to extend an invitation to the banquet.

Mr. Weinmann—When this matter was brought up, this whole question was discussed, and the propriety of inviting Insurance Commissioners, and other insurance officials, was left in the hands of the Executive Committee, and as they had the power to invite insurance commissioners, or other officials, the amendment is unnecessary.

Mr. Thornton—I made the amendment without any explanation. We are seeking for the enforcement of the spirit not the

letter of our constitution. If there are four or five or half a dozen invited guests at the banquet, who are not eligible to become members of our Association, it is not going to do us any material harm, nor embarrass any of our members. For that reason it will work no hardship. It is well that this should go over until 1912, and then enforce the rule.

Mr. Brown—I am in accord with Mr. Thornton's amendment. I have no invited guests, so I can speak without qualification in this matter. There are some of our confreres who have invited guests. It would place them in a very embarrassing position. I cannot see that any harm could be done by postponing the date of the application of the rule until January 1st, 1912.

Mr. Kinne—I want to say a word in explanation. It is not against the idea of charging a proper sum. I believe in charging $12.50, or $15, if necessary for guests where they pay no dues, or anything of that kind. It would place those who have invited guests several months ago and before this action of the Executive Committee had been promulgated, in a very peculiar position, if this amendment should become effective immediately. I will vote to have them pay the $12.50, but think that the amendment should not go into effect until 1912.

Mr. Folger—I second this amendment. We have not invited any guests who are not connected with the office, and we are not affected by it. It is not the question of money which is involved. No doubt many of those who invited guests are willing to pay the $12.50, but that is not the point. There are at this hour, in the hands of the chairman of the Banquet Committee, orders for seats at the banquet, given in good faith, and no doubt accompanied by checks. We shall only embarrass the Dinner Committee and ourselves, if we insist upon the letter of the law instead of the spirit.

Mr. Harold—I imagine the adoption of this amendment would deprive the editors of the different insurance journals from participating in the banquet.

Mr. Gunn—All the boys from the north know that I used to run a newspaper. I want to tell you that if there is anything that

a newspaper man likes, it is a square meal. I hope the newspaper men will not be excluded from the banquet.

Mr. Kinne--Everybody that is not eligible, whether he is an insurance commissioner, editor of a paper or a periodical, or anything of that kind, will be barred if this amendment in its present form be adopted. The suggestion was made here that the Executive Committee had the power to invite certain officials. I claim that the Executive Committee has no more power to invite people to the banquet than we have. What is the use of our coming here and discussing the matter? I claim the Executive Committee has no right to invite anybody, except it is plainly stated in our Constitution. I do not believe the Executive Committee has any right to do anything more than the Association itself. If you want to put it in that they have that power, all right.

Mr. Gunn—I think we are overlooking the fact that nearly all of the insurance commissioners and editors are honorary members of this Association, and have all of the privileges, except voting.

Mr. Watt—I have been on the floor twice already. Some of you have been on the floor three times. I withdraw any objection to the amendment.

The President—I think it has been discussed, so that you all understand what the amendment is. Mr. Thornton's amendment is what we have been discussing, and that is what we are about to vote on.

A rising vote was had on Mr. Thornton's amendment, with the following result: Ayes, 46; noes, 33.

The President—I declare the amendment carried.

Mr. Lowden—I move as a further amendment that the Executive Committee be authorized to invite insurance officials and contributors to the proceedings at the expense of the Association.

Motion seconded and carried.

Mr. Gunn—I move the adoption of the Article IX as amended.

Motion seconded and carried.

The President—There is just a short matter I would like to dispose of. Some two years ago Mr. Parrish wrote a paper and it was referred to a committee. That committee never made its report, and I do not believe that the committee was ever discharged. I would like to have someone make a motion to discharge that committee, and that the paper be referred to the Executive Committee so that it can be taken up when they meet.

Mr. Lowden—I move that the committee on Mr. Parrish's paper be discharged, and that the matter of his paper be referred to the incoming Executive Committee for action.

Motion seconded and unanimously carried.

The President—The next on the program is the reading of the President's Address. Mr. Tiedemann, will you kindly take the chair?

Vice-President T. J. A. Tiedemann took the chair.

PRESIDENT'S ADDRESS.

To welcome you, gentlemen, to this, the thirty-fifth annual meeting of the Fire Underwriter's Association of the Pacific, is an official duty which I take a great deal of pleasure in performing. Your individual activities during the year doubtless at this time produce varying emotions, as they may have resulted favorably or unfavorably in a high or low loss ratio, in an increase or decrease in business; in thought given to general conditions; a forward glance along the road for legislative obstacles; and the clearness of your vision for detecting the seriousness of present day competition and the operations of ignorance.

During the year that has passed, the White Angel has gone here and there among us, touching with his wand of light a number of our members and calling them from our midst, and my only painful duty is to read the names of those who have departed.

Chas. B. Hill,
A. R. Grim,
H. H. Bigelow,
H. C. Koempel,
Jacob V. Spears.

Each of these, our friends, has left us the imprint of his personality, and his life as he lived it will continue to exert an influence till memory mingles with the Infinite.

The work of the Association for the year past is told in the reports of the Secretary and Librarian and the various committees who have labored for the common good. The Secretary's report indicates a healthy financial condition, though our bank account is too low to encourage expenditure beyond actual necessities, and efforts are being made to increase it so as to relieve the Executive Committee from embarrassment in its work of extending the influence of the Association. But one meeting was held during the year, and the limited attendance is a remarkable expression of a seeming lack of interest in matters of real importance to the business.

THE LIBRARY.

Little can be added to what others have said in support of the value of this educational feature belonging to the Association, and the need of continued interest in its maintenance. The Librarian has given us an interesting report on its condition and again brought its value to your attention. Our rules restrict its use to insurance men, mainly members, and to the university professors interested in our work. We write upon and discuss subjects and problems of the greatest possible value to the business interests of the country. We print them into books, put them in a room, and lock the door against those we are most anxious to reach, which, in part, answers the question why insurance knowledge does not permeate the public. Our library contains information such as cannot be found elsewhere on the Pacific Coast, on subjects of scientific, practical and immediate value to manufacturers, engineers, architects, contractors and business men; and as a measure of inspiring public respect for the work we are doing, and aiding to a better understanding of our problems, nothing could be more valuable, in my opinion, than to make a wider application of the library by telling these people what can be found there that might be of interest and assistance to them, and inviting them to make use of it. And I suggest that a synopsis of subjects, with a list of our books, be printed and distributed at the discretion of the Executive Committee, together with an invitation to visit the library during certain hours.

I hesitate to suggest any measure, the adoption of which will add to the expense even now somewhat heavy. It is necessary, however, to look upon the library as a department of the business of this Association, and as such, it should be made to produce results for the expense incurred, and we cannot secure them if we restrict its use to the membership.

The last index to the Proceedings was published in 1903, and I suggest that a new one be prepared, if it is possible to do so. It adds value to the library.

OUR BUSINESS.

The President is perhaps expected to talk wisely about the business we represent and offer complete solutions of the staggering problems that vex us. Theoretically, this is easy to do. But analytical dissectors have a way of drilling holes in theories and testing the quality of one's wisdom. Hence I approach the subject with caution and a wholesome respect for that which may blow up my notions. Someone has said that "our business is what we make it," a statement hard to disprove, though when the finished product claims our attention as it does today, we feel inclined to say that it is what others and the legislatures have made it, following the public and quite human disposition of charging the other fellow with the costly results of imperfect methods, unwise policies, and unapplied remedies, and a general disinclination to accept any reasonable share of the responsibility for unsatisfactory conditions.

As the agents, the public, and fire insurance companies charge each other with being the cause of burdensome conditions from which each claims to be suffering, it is logical to infer that there must be something somewhere that needs fixing, and it would appear reasonable to suggest that each might profitably take up the task of self-examination in an attempt to ascertain to what extent each may be responsible for the sins laid at the door of the other. It being doubtful if this suggestion reaches the public, its only value lies in whatever application the companies and agents make of it.

Among the strongest influences operating to cause the increasing unrest and dissatisfaction of today is the instability of rates for fire insurance, inequality of commissions for the same service, and a growing ambition in some quarters for income at any cost. Save in rare instances, the public has not asked for rate reductions; the demand has almost invariably been made by insurance agents in competition for business, and every time this kind of competition operates to drop the rate, a slice of confidence and respect drops with it. The public makes the fire hazard, and it is the business of fire insurance companies to make the rates, based upon experience with the hazard produced, if they can. Either rates are or they are not as near equitable as they can be made with present available data, but competition for business between agents or companies has no place in rate making, save where knowledge of hazard operates to reduce a charge, and should be set aside as a costly trouble maker, a species of frenzied finance, detrimental to public good and damaging to the foundations of the business.

There are few ills that cannot be cured by an individual willingness to do an individual's share in maintaining the dignity of the business. "Get

the business" is not the whole of fire insurance. If any are disposed to regard it as such, the time will come when the horse he rides and thinks is gentle will object to the fit of the saddle and begin a movement that spells disaster. Among the most valuable things we can work for without reducing real ability to secure income is the confidence of the public, more confidence and respect from the agency force, and more faith and a closer working to standards in our own ranks. If present methods will not secure them, we should change our system and get one that will. Various state legislatures have noted both our concurrencies and non-concurrencies and will probably not fail to interes us in the future unless we build up a strong wall of confidence unassailable from all points.

PUBLICITY.

Perhaps the greatest damage to our business is done by those who don't know, operating among those who know less, and one of our missions should be to know those who don't know and teach them things they should know. Two recent notable papers on the subject of Publicity have been written and read before this Association, one by Mr. Washington Irving, in 1909, and one by Mr. A. P. Lange, in 1910. Both of these papers clearly stated the need and outlined some of the advantages to be gained by reasonable publicity and practical education, and I recommend them to your careful consideration.

Our financial condition is such that we cannot embark on an extensive publicity campaign, but there is much we can do that we are not doing and which should be done as a matter of proper protection to the interests we represent. We have material in abundance, and opportunities to use it are not lacking. The National Association of Credit Men, through its committee on Fire Insurance, has taken up this matter and is publishing a set of six leaflets, called "Burning Subjects," which they distribute to merchants and sell to fire insurance agents. Other organizations of business men are entering our field as educational forces, partly to protect commercial interests and partly to fill a public demand for information on fire insurance which we are evidently not meeting. It is not a compliment to us when others find it necessary to take up our work and blaze a trail for us to follow. There is every reason in the world why we should be first to detect and first to satisfy a need, and while it is comforting to know that credit men and others have sharpened their knives and are whittling our stick, it seems only right and proper that we should occupy a nail keg near by and offer a few suggestions as to its shape.

This, I believe, can best be done by a Publicity Committee as suggested by Mr. Irving. Such a committee could watch the public press for articles

damaging to our interests, co-operate in distributing the matter sent out by the National Fire Protection Association, furnish speakers, if possible, to appear before associations of business men and prepare occasional articles for publication where they will do the most good. To test the value of this last suggestion, your President, in May of last year, wrote a thousand words on "Why So Many Saw Mill, Shingle Mill and Dry Kiln Fires," and sent them to the "Red Cedar Shingle," the organ of the Shingle Graders' Association, at Everett, Washington. The article was given the first page and produced immediate, actual and satisfactory results. In the belief that there is an actual need for such work, I suggest the appointment of a committee of five, to whom power be given to appoint sub-committees, and that we, even if in a modest way, enter upon the task of showing the Pacific Coast public that fire insurance companies are something more than rate-making and premium-collecting institutions.

THE INSURANCE INSTITUTES OF AMERICA.

Our Association is now a member of "The Insurance Institutes of America," a highly important position for us to occupy and one demanding our best endeavors and the personal concern of each member that we acquit ourselves in a manner that shall reflect credit proportionate to the high standard that our Association has attained.

The report of our committee, which will be presented later in the session, will show that the first definite work to be undertaken here will be the examination of insurance clerks, and others who may offer themselves, upon subjects which have been prescribed by the National organization.

We ought to do all that we can to induce our members to prepare themselves upon these subjects, and to take the examination next summer. The time will come when a certificate given by the National Association will be a good recommendation.

NATIONAL FIRE PROTECTION ASSOCIATION.

The greatest publicity force in the world today is the National Fire Protection Association, which is giving the public and the insurance companies valuable service in directing thought to advanced systems in practical building construction, fire prevention and protection, conservation of created wealth, and preservation of human life. It has succeeded as few associations ever have in compelling attention and public approval of its work. As its president, Mr. Merrill, will address you at a later hour, I make but this brief reference, knowing that he will tell you of the work done by his Association.

THE FIRE INSURANCE SOCIETY OF SAN FRANCISCO.

One of the most encouraging features of the year, as indicating the growing interest along educational lines, was the formation of the "Fire Insurance Society of San Francisco" by the clerks in fire insurance offices. A number of enthusiatic and helpful meetings were held and their plans contemplate a widening sphere of influence and improvement. Addresses have been made by some of our members working in harmony with them, and I sincerely hope that our Association will not miss an opportunity to render every assistance possible to make this new effort a success.

FIRE UNDERWRITERS' INSPECTION BUREAU.

There exists in the Fire Underwriters' Inspection Bureau a lot of valuable though unused material for adding strength to our credit with the public. This bureau prosecutes a work of which the public is unaware. Its quiet methods seldom attract attention, and save to municipal authorities and individual owners of special hazards, its existence is unknown outside the insurance fraternity. The annual report of the bureau manager contains in part a list of defects corrected and hazards removed in cities under inspection. About seven hundred of these reports are mailed, all to men within the fold of fire insurance, none to the property-owning public who unconsciously furnish material for the report. It would seem that the removal of ten thousand possible fire-producing causes from one city alone is information that the property-owning public has an interest in it. I regard it of such value, that I suggest that this Association recommend that so much of the Annual Report of the bureau manager as pertains to the list of defects referred to, together with such other portions of the report as may be deemed expedient, be placed on the table of boards of trade, commercial clubs, and other associations of business men in all cities affected by the inspection. I believe that much good would also result, if the reports of the engineers of the National Board of Fire Underwriters were included in this distribution and also placed in the public libraries of cities inspected.

INTEREST IN THE ASSOCIATION.

The yearly addition of new members furnishes me an excuse to say that this Association is a body of men studying the business of fire insurance and attempting to solve problems in underwriting, fire hazards, fire prevention and protection, and loss adjustment, for the best interests of the business and the general education of its members. We have not graduated a member, and few can claim advancement beyond the necessity for further effort, as the many unsolved problems form a barrier which questions

his right to such claim. It would seem almost necessary to apologize for ever suggesting that there is any lack of interest among the members in advancing the work of the Association. It has attained such a high position as an educational force in the insurance world, many of its productions now being standard authority, and its influence is so strongly felt, as to give the appearance that the whole individual membership was pushing it forward. It is a lamentable fact, however, that only about 17 per cent of the members have accepted personal identification with its advancement. It cannot be poverty of ideas, as the attempt to secure papers from within the Association has developed an ingenuity in framing excuses, which, if applied to writing one, would make the world gasp at its originality. The most probable causes would seem to be an inclination to under-value its importance as an educational force, failure to recognize personal responsibility requiring contributions to a work from which benefits are received, much personal depreciation of ability, possibly a bit of conservation of energy, and not a little disbelief that any good comes from paper writing because of the comparatively few papers that have attained the position of practical application, a fact that tends to discourage investigation for the common good and dims the light of interest. The ideas afloat in the world enter the minds of men and impress them differently; some grasp a fact that has escaped others, and frame it in words of such force that escape from its logic is impossible, and launched at the proper psychological moment it compels immediate action. But the fact that others might have failed to secure the same results should not cause us to infer that what they wrote is without influence, as no paper ever read before this Association occupies that position. No man ever planted an earnest thought in print or shot an idea from his brain, that failed to influence someone some time. A weakness appears to exist in our attempting too much in a two days' session, and in the lack of committees to take up matters of serious moment. The interests we represent have reason to expect that the Association shall squeeze every drop of practical good from each paper contributed and recommend its application to the purpose intended, and we should give this matter serious thought, so that nothing of value shall be overlooked. A ten minute discussion is not enough to give to a paper that might be an inspiration or the result of painstaking investigation and wide knowledge, and possibly contain a plan, which, if adopted, might change a serious defect into a valuable asset.

But as we cannot, for lack of time, give the attention that some of these papers really need, I suggest that the committee on President's Address act as a reviewing committee with power to add to its numbers, to whom shall be referred all papers which the Association shall determine

as requiring further consideration, the committee to report its conclusions and suggestions to the Executive Committee for further action.

The future success and continued influence of this Association is largely in the hands of the young man in the business, and a deep personal interest is necessary to protect both his own reputation and that of the association of which he is a member. It will not do to depend too much on outside contributions, nor to call too frequently upon the untiring industry of the older members to maintain our position as an influence, even though it can be done, as it is a criticism against the intelligence and ability of those who should be most active for the common good. The unused forces within this body, if they could be reached and made use of, would add wonderfully to our strength, and some sort of a development plan should be adopted to wake up these slumbering talents. The President cannot ask for a wholesale offering of papers, and the young men with ideas are too modest to force them to his attention, and I believe the subject worth the attention of the Executive Committee, to seek a plan to encourage contributions from more of the younger members.

In closing, may I suggest to the young gentlemen who are aggressively fighting for a premium income and a position near the throne, that if you are asked to write a paper or do any other service for the Association, do it, and consider the invitation a compliment. The excuse that you don't know anything to write about is a very good reason why you should begin the investigation of some subject and become an authority. The Association will gain, but you will receive the greatest benefit. I believe it fair to assume that you expect to benefit from your membership, and that a chance to wear a low cut vest and loose trousers at the banquet is not your sole object in being here. If this is so, has not the Association a proper claim to a reasonable share of your surplus energy? I think it has and I am here to ask what have you to give for that which you receive. The Association needs young men of aspiration, inspiration, conviction and capacity. If you have any of this material in your make-up, come right out in the open, unmuzzle your wisdom and give it a chance to work for you and the Association.

If you have any pessimistic notions about this business of ours, strangle them as you would any other harmful thing; they hurt the business and you don't need them. Substitute a constructive optimism; it pays better. You are making fire insurance history every day you rub against the public. What you say and how you say it, what you do and how you do it, is the brand you burn into the hide of things, and is what you are and what you have to stand for. If you are ambitious to rise, don't overlook the fact that the juice of the water wagon never weakened the knees nor the backbone of

anyone, never fozzled an adjustment, lost a friend, fooled a manager nor broke a rung in the ladder you may be trying to climb.

It is likely that you all have discovered that I have avoided discussing the deeper problems of the business usually found in the President's address, and confined my remarks mainly to the immediate needs of the Association. The papers that are to follow contain the real substance of the meeting, and I cheerfully yield my place at the desk to those who have so graciously contributed of their experience, study, and investigation for our entertainment and profit.

The Vice-President—You have heard the reading of the very able address by our President. What do you propose to do with it?

Mr. Folger—I move that it be referred to the Committee on President's Address.

Motion seconded and unanimously carried.

The President resumed the chair.

The President—I will appoint on the Committee on President's Address and also on the report of the Executive Committee the following: Mr. Fuller, Mr. Folger, Mr. Blanchard, Mr. Harold, and Mr. Van Valkenberg. It is the hour of adjournment and I will declare a recess until 2 o'clock P. M.



Afternoon Session.

The convention was called to order in afternoon session at 2 o'clock P. M., President Frank C. Staniford in the chair.

The President—I will call for the report on the Association of Insurance Societies and Institutes of America. Mr. Folger being the chairman, he will kindly read the report.

Mr. Folger—In moving the adoption of the report, I should like to take a few minutes to give a running series of comments upon the ground which will probably be covered by the proposed examination. In June next, any person engaged in the fire insurance business, there being no age limit, may take the examination which will be given during some evening or evenings in San Francisco. The announcement which we have asked authority to print, will give information in greater detail, with a memorandum of the books of reference which may be consulted by students.

The first part of the examination will deal with: (a) Building construction, including heating and lighting; and the students should have a general knowledge of construction of frame, ordinary, mill constructed and fire-proof buildings. (b) Hazards, including specifically, (1) hotel and lodginghouses, (2) printing and allied industries, (3) storage warehouses, (4) cotton mills. Under the second division the student will be expected to prepare himself to describe the general hazards in two of the groups; one, either hotels and lodginghouses or warehouses, and the other, either cotton mills or printing and allied industries. (c) Draughting to scale.

Part second of the examination will deal with: (a) Correspondence; and, in addition to the ability to write a well phrased and tactful letter, the student will be expected to show such knowledge of the general practice of fire insurance as would enable him to deal with every day occurrences. (b) Standard policy of New York State. The committee has suggested that the student

should familiarize himself with the conditions in regard to policies previous to the adoption of the standard policy in Massachusetts in 1873, and in New York in 1886. While not required, it will be recommended that students in California give some attention to the differences between the New York standard form and the standard fire insurance policy of the State of California.

It may be assumed that if the report of the Committee which has been read is adopted, the Executive Committee of this Association can formulate a simple announcement of the proposed examination, and can succeed in getting a limited number to take it up this year. While but a few may come forward in 1911, it is reasonable to suppose that, by the end of five years, if the examinations are made practical and are properly conducted, there may be as many as a hundred men coming up for examination annually. It is to be expected that the best men in the offices will show a desire to undertake this examination, and not the worst. The scheme has been undertaken for a number of years in Great Britain, and while a limited number took part during the first year the attendance upon the examinations at the end of the fifth year was much more than five times as great. At the outset, a certificate showing that a candidate has passed the examination creditably may not be of particular value, except as showing that the young man is in earnest and is seeking to improve his knowledge of the business; but it is conceivable that a similar certificate, after a few years, may open the way to rapid advancement in the business.

REPORT OF COMMITTEE ON THE INSURANCE INSTITUTES OF AMERICA.

San Francisco, January 10, 1911.

To the Fire Underwriters of the Pacific:

We beg leave to report that the second conference of fire insurance organizations in the United States was held in the City of New York on May 24, 1910, at which this Association was represented by correspondence only. Plans for the work of the central body were perfected, and its name was simplified to read: "The Insurance Institutes of America." The Fire Underwriters' Association of the Pacific was duly recorded as one of the charter members, the others being: The Fire Insurance Society of Philadelphia, the Insurance Library Association of Boston, the Insurance Society

of New York, the Insurance Institute of Hartford, and the Fire Insurance Club of Chicago.

At the second conference, papers were read upon the following suggestions presented by the Association, respectively, to which they were assigned namely:

1.—"How many editors of bulletins arouse interest in and otherwise advance the work of the Association?" By the Fire Insurance Society of Philadelphia.

2.—"Is it advisable, and if so, how may this Association best undertake the publication of a volume of insurance literature?" By the Fire Underwriters' Association of the Pacific.

3.—"Is it advisable for this Association to undertake the preparation of a system of 'insurance examinations?'" By the Insurance Society of New York.

4.—"Is it advisable for this Association to undertake the publication of bulletins of current insurance literature?" By the Fire Insurance Club of Chicago.

5.—"Is it advisable for this Association to undertake the establishment of a lecture bureau?" By the Insurance Library Association of Boston.

6.—"Is it advisable for this Association to undertake the publication of an expert review of the year in the several branches of insurance?" By the Insurance Institute of Hartford.

Most of the papers read were either received and filed, or, as in the case of one submitted by our Association, referred back to the committee for further elaboration of the subject. The chief gain arising out of the conference was the approval of plans submitted in behalf of the Insurance Society of New York, for holding annual examinations covering insurance education; and the conference authorized the special committee to carry out the scheme in 1911. We have recently received the formal announcement of the series of examinations to be held in June next in five cities in the United States, one series being under the auspices of the Fire Underwriters' Association of the Pacific. It is recommended that the formal announcement of the series be printed to the extent of not less than five hundred copies at the expense of this Association; and that the copies be distributed to all who are likely to be interested in the subject, and that plans for holding the examination and for giving such aid as may be practicable to those who desire to take them, be formulated by a conference committee. To bring this about, we suggest that this special committee be continued, with instruction to act jointly with the Executive Committee of the Fire Underwriters' Association of the Pacific, about to be elected, and

that the Executive Committee of the Insurance Society of San Francisco (the clerk's association) be invited to co-operate with them. Such a conference committee would reach all of the men in the business who are likely to desire to prepare themselves for examinations and who would be benefited by certificates showing that they had passed, or passed with honor—these being the two grades into which those taking the examination successfully will be divided.

Your Committee cannot overlook the fact that it will be difficult to give the younger members sufficient training in six months to enable them to pass such an examination creditably upon all of the subjects submitted; but it may be taken for granted that the papers presented in June will be considered leniently, and that, if possible, encouragement will be given to those who undertake the work necessary, and who show some degree of earnestness and intelligence. It has been claimed too often that our Association is not doing enough practical work either for the good of the business or for the good of its own members; and it occurs to your committee that the avenue now opened is a most excellent one upon which we may travel, not only to reach a selfish desire, but also to aid others who are in need of beneficial suggestions.

The particular subject assigned to this Committee after the first conference is of no little interest; but the proceedings in New York show that the delegates attending such second conference had no well formed ideas as to the kind of annual publication which should be put forth by the Insurance Institutes of America. We are expected to submit another paper on this subject at Chicago in May next, and your committee will be very glad indeed to have the benefit of suggestions from individual members of this Association, if you are not prepared to instruct us as to the better course to be pursued. This committee has an open mind on the subject, but was inclined originally to recommend that the American Society follow the course pursued by the Federation of Insurance Institutes of Great Britain and Ireland, which publishes an annual volume, made up of selected papers taken from the proceedings of eleven or more institutions, of which the Federation is made up. One of the Eastern societies believes that we should, instead of this, publish an annual volume which will not contain papers on a variety of topics, but which will deal with one subject relating to fire insurance, all of the papers thereon being prepared by experts or persons having a good knowledge of the particular topic treated. For example, it is pointed out that an annual volume dealing only with fire insurance laws, or inspection or special hazards, or questions relating to adjustments, if prepared with care and brought up to date, would be come authoritative as to the particular subject, and could be used in a sense as a text book in con-

nection with the examinations which are proposed to be held annually. This suggestion has merit, but it would take a number of years to cover a few topics; and, in the meantime, other subjects dealt with in the examinations could not be treated elaborately, or at all. Your committee will give this matter further attention immediately after adjournment, and will appreciate any suggestions which the members of the Association care to offer.

In conclusion, we recommend that the action of the Committee in assuming membership in the Insurance Institutes of America on the part of the Fire Underwriters' Association of the Pacific be confirmed; that its action in contributing to the expenses of the Institutes up to the present time, including the publication of the proceedings of the first two conferences, be approved, and that similar action be authorized for the next year; and that the committee be continued with instructions to represent this Association at the Chicago conference by correspondence, if no personal delegate can be sent conveniently, and be authorized to arrange for the holding of the series of examinations in June, 1911, on the basis proposed by the Insurance Institutes of America, with authority to have announcements thereof printed with the approval of the Executive Committee, and to charge the cost to the Insurance Institute fund.

Respectfully submitted,
HERBERT FOLGER, Chairman,
F. C. STANIFORD,
F. B. KELLAM.

The President—What is your pleasure with regard to this report?

Mr. Lowden—I move that it be adopted.

Motion seconded and unanimously carried.

The President—The first paper your attention is called to this afternoon is that of "Tenants' Improvement Adjustments," by Mr. T. C. Shankland.

Tenants' Improvement Adjustments.

T. C. Shankland,
Independent Adjuster, Portland, Oregon.

Why the term "Tenants' Improvements?"

It emanates from the practice of landlordism. A merchant or shopkeeper rents a store—they generally get four bare walls and ceiling with no better finish than white plaster.

To make it sufficiently attractive to be within trade requirements, it must be embellished with decorated walls and ceilings; often fine fresco work, pressed steel, beamed work and paneling being attached, specially arranged fronts, doors and windows of plate and art glass, built in partitions, plumbing, gas and electric piping and wiring, all becoming more or less a permanent part of the building.

These improvements are paid for by the tenant, and in the absence of a special provision in the lease become a legal hereditament of the realty.

The invested interest of the lessee is entitled to protection by insurance.

These invested interests often represent large expenditures being dependant upon the size and character of the business conducted in the premises.

In some, the investment thus required equals or exceeds in value the stock necessary to supply the daily patrons.

Saloons and cafes form part of this class. So long as no fire occurs, it matters not to the landlord, tenant or insurance companies, as to the insurance on building and or on tenants' improvements, nor as to what the extent and nature of the invested interest may be. At time of fire, however, complicated situations often arise; it being most difficult to analyze and properly segregate the interest of the landlord and tenant so that they obtain the indemnity provided for under the respective insurance on the two interests.

It is rare if ever a lease or insurance policy defines how the insurance shall apply to those things paid for by tenant which may become a part of the building so each loss may open the door to discussions that would involve thousands of dollars.

Leases generally, though sometimes not, make reference as to what shall be required at the expiration of the term and involve the question of improvements put in and paid for by tenant, but a fire occurring during the pendancy of the lease requires an interpretation of the conditions thereof and their relation to the insurable interest of the lessee in tenants' improvement, when such is mentioned in the policies. Most, if not practically all policies when the term "tenants' improvements" are mentioned, do not specify any limitations of liability or qualifications of the tenants interest in the improvements, hence to draw the line of demarcation under the various incidents that have arisen and may hereafter arise, has required deep thought, discussions and dissensions.

The question to be determined in every instance is the legal ownership or interest of landlord and tenant in the things supplied by the latter that may become a part of the building, and the cash value of said interest so determined. These interests are dissimilar, depending upon the requirements of the tenant under the terms of the lease. The question also is to determine what are the two separate interests, when tenants' improvements

are insured and the following facts are found to exist i. e., what are they ?

When no lease or only a verbal agreement as to tenancy exists.

When a lease makes no mention of tenants' improvements.

When the term of lease gives the option to the landlord what shall be done with tenants' improvements at expiration thereof ?

When the terms of the lease provide that the same shall at once, when installed revert to the building or revert thereto at end of said leasehold or shall be removed leaving premises as of day of the granting of the lease.

To properly define the two interests in incidents recited requires full consideration of all the terms of the lease that may embody these as main features, so it is scarcely practicable to recite here how to proceed to an adjustment of a loss, other than to say, first secure the lease, then analyze the two interests.

When the insurance is sufficient to restore all damages, there is no dissatisfaction upon the part of the landlord or tenant, it then being a question which insurance "building" or "contents" shall pay the loss, but different companies may take different views should they be acquainted with the provisions of the leasehold, or different adjusters may have different views as to the segregation of items of cost involved.

Should the landlord's insurance be not sufficient to cover his invested interest in the building he refuses to restore the tenants' improvements, hence the tenant, if his insurance is sufficient to more than cover all damages to articles other than tenants' improvements that could be construed as part of a building; wants all that is possible to restore such improvements irrespective of the landlords acquired ownership by the terms of the lease. These and other equally difficult situations arise under the insurance as is now generally written.

To avoid these and equitably indemnify the tenants is an important question and should be solved in advance of the loss by the uniform adoption of a clause or form of policy that clearly defines the limit of liability for loss on tenants' improvements irrespective of the conditions of any lease, as there are few that contain the same provisions relating thereto.

Would suggest the following as a means of eliminating at least some of the perplexing questions that confront the adjuster after the fire.

Clause: "The maximum liability of this company for loss on tenants' improvements forming a part of any building shall be the same ratio of per centum of the cost thereof, as the unexpired term of any lease held by the insured, shall be of the whole term of said lease."

This would indemnify the insured for the use and occupancy value of such improvements, which is the maximum cash value of the tenants interest

therein, and clearly defines the maximum liability of the company for loss thereon.

The President—We are very glad to get that paper from Mr. Shankland. It contains a suggestion that it is just possible some of the members might wish to discuss, that is, the clause that the companies might adopt something which would show just exactly what the company will be liable for under a tenant's improvement policy. I would like to hear some discussion on the subject.

Mr. Sexton—I don't know that I can make any remarks about the paper, but I got an idea in my head yesterday about writing policies. We have a standard form of policy. About thirty years ago some of us who are sitting around here started to straighten out adjustments and apportionments of losses, and finally got straightened out so that we could trust our claim to the other adjuster, knowing that he would not follow the old style of thirty years ago, of first making the best settlement possible for himself regardless of the rights of the other companies. We need, at this time now, a committee on the written part of the policy—a committee of seven, four members of this Association and three members of the Brokers Exchange of San Francisco, to report forms of policies, riders and endorsements that would suit the companies and the claimants. This Association has no legislative power; we could not enforce anything, but we can recommend. There is another suggestion that I have to make along this line, and it came from the paper written by Mr. Parrish some three or four years ago about daily reports. There should be a committee that would standardize daily reports and make a form that might suit offices and agents, so as to have the same form for everybody. I make a motion that these committees be appointed.

The President—You make that as a motion?

Mr. Sexton—When we get through discussing the question.

The President—Is there any further discussion of the paper? It is open for discussion. If not we will pass to the matter of Mr. Sexton's motions.

Mr. Sexton—I now move that a committee of seven on policy forms, riders and endorsements be appointed, to consist of four

members from the Association, to be selected by the President, and the President and two members of the Brokers Exchange.

Motion seconded and unanimously carried.

Mr. Sexton—I now move that a committee of five on daily reports be appointed. This will give us something to do for the next year.

Motion seconded and unanimously carried.

The President—The next on the program is a paper by Mr. William F. Howarth on "Fire Hazard in Paper Mills." Mr. Howarth is the manager of the Everett Paper Mills, Everett, Washington, and unfortunately he is unable to be present. I will ask Mr. Meade, the Secretary, if he will kindly read this paper. As I say, it is unfortunate that Mr. Howarth is not here, because he could answer questions and thus bring out a great deal of good material.

Fire Hazard in Paper Mills.

W. F. Howarth,

Pres. and Mgr. Everett Paper Mills, Everett, Wash.

An experience of over nineteen years with a paper manufacturing plant located at Everett, Washington, gives no basis of fact to determine any special hazard in paper making, by the soda or alkali process.

There are many different kinds of paper made in this country, each requiring its own special formula or system, and briefly in the order of value from the cheapest to the most expensive, may be mentioned, viz:

First: Newspaper, by the sulphite of acid process, with the additional mechanical ground wood.

Second: Wrapping papers, by the same process.

Third: Book paper, by the sulphite of soda (alkali) process, or both combined.

Fourth: Cheap commercial writing, by the same process as the third.

All the first, second, third, and fourth grades of paper are made from different kinds of wood pulp. The woods used are fir, spruce, cottonwood, hemlock, and poplar.

Fifth: High grade writing, bond, ledger and linen papers, by the soda process, from cotton and linen rags.

The papers made by the Everett Mill consist of book and cheap com-

mercial writings, which are made by the chemical soda (alkali), process only, as follows:

The pulp wood as sent from the forests is cut up into cord wood, in lengths and sizes satisfactory to handle at the mill. The stick of wood is fed into a chipper, which cuts it up into small pieces (the sawdust and long slivers being taken out by screens), which are then put into a large steel seamless digester 26 ft. high and 7 ft. diameter, which holds about 4 cords of wood and produces about 3,600 lbs. of wood pulp. A solution of caustic soda liquor is put in the digester, which is then closed and steam circulated therein, resulting in the abstraction of all resinous matter, and the disentegration of the wood fibres. After the contents have been thoroughly cooked, these are blown into a blow tank, thence to pans, where the spent liquor is drawn off, and as this liquor consists of water, pitch or resinous liquor, and carbonate of soda, it is necessary to recover the carbonate of soda for re-use, and to utilize the pitch and resinous matter; therefore, the liquor is passed through an evaporater, which takes out a large percentage of the water. The residue is then put through a revolving incinerator, which burns the pitch and resinous matter, the heat from which being used for making of steam. As the incinerator revolves, being conically shaped, the carbonate of soda in the form of black ash is deposited on an endless chain, taken to the leaching department, and there the carbonates of soda are abstracted and mixed with fresh soda.

This is called "recovery," and of the original soda used, some 90 per cent is regained. Were it not for this "recovery," paper could not be produced by the soda process, to make it commercially profitable in comparison with other systems.

The pulp which is left after draining off the liquor before mentioned is then thoroughly washed to free it from all alkali. Afterwards, being brown in color, it is bleached with chloride of lime to the necessary whiteness to make paper.

The pulp is then beaten in beaters, and with it is mixed different ingredients, in the form of china clay, alum, and sizing materials necessary to produce book and writing papers, thoroughly refined in refining engines and then passed to the paper machines, where the sheet paper is formed or woven, dried and calendered, cut into certain sizes, counted into reams, and packed ready for market.

This, in brief, is the soda process of paper making, and is given preliminary to the subject matter of this article, viz:

FIRE HAZARD OF PAPER MAKING.

As to this, we have no experience from actual knowledge, nor do we know of any unusual fire hazard in any of its processes; consequently must

offer the opinion that for the best protection of a paper mill of the kind now spoken, is in strict adherence to well known rules, and regulations governing all other industries and fire risks generally, where special fire hazards are not in consideration.

Prevention is better than cure, and the rigid policy of the management should be to have in its organization a responsible head for all its fire fighting appliances, not spasmodic in its work, but regular systematic inspection with daily reports, which upon their face will instantly give the management the true conditions.

The plant at Everett is protected by:

First: Independent circulating water mains, with hydrants, not possible to be interferred with, even in a conflagration.

Second: Steam fire pumps, which connect with inside hydrant system, and which can be thrown into independent circulating main if required.

Third: Sprinkler system (Grinell's), throughout plant and most of outbuildings.

Fourth: Large chemical tank on cart, also many three-gallon chemical extinguishers placed in certain parts of the plant, where the fire, if once started, might make quick headway.

Fifth: Fire buckets, filled always with water, with large barrel of water. These being inspected every Sunday and reported to responsible party for attention, who in turn must furnish a report duly filled the following day. A bucket of water handy at the right moment means a great deal.

Sixth: Fire hose and carts located on each side of mill, and in other places for easier or more hasty action.

Seventh: Fire brigades, with the rule in vogue that the one who holds the nozzle shall be the one who has the greatest at risk personally in the way of good position and owns his own home or other property in the district, so that he realizes if the plant is destroyed there may be some doubt as to its re-erection.

Eighth: Night watchman's clocks.

Regarding the sprinkler system, all valves should be strapped back, and to know that these are always so, a system of watchman's clocks is inaugurated so that the daily record chart will show that each day each particular valve has been visited.

The regular oil and waste can systems:

Absolute cleanliness and freedom from filth, dirt and rubbish in nooks and corners. Even with all these, it is necessary to check up the supervision of the supervisor, by the management, going through the plant at regular set periods.

Were the management of any institution imbued with the fact that a policy of fire insurance, even though it fully protects in dollars and cents, does not meet the loss in case of fire, as such does not cover the use and occupancy, or the loss of trade consequent upon the happening of a fire, it would mean a greater personal interest with the inspectors and special agents of the insuring companies, making the elimination of all possible risks one of sincere mutual interest, creating a better feeling, better moral hazard, and a gradual lowering of insurance rates on account of the increased confidence in the lack of those hazards which past experience seems to have warranted the placing of paper mills in the "Extra Hazard Class."

The President—I do not believe that we have ever had anything before on paper mills. It was my privilege to go through this paper mill with Mr. Howarth several months ago, and I was very much impressed with the care that is exercised throughout the entire plant, and the extreme caution that the men employed there take in the matter of fire protection devices. The men that he speaks of, in case the plant should get afire, would know just exactly what they were to do. I am sorry that Mr. Howarth could not be here, as this is an excellent paper, and I think he might have been able to tell us something more than he did in his paper. The paper is now open for discussion.

Mr. Gunn—I don't want to make any remarks about the paper, but it might interest the younger men here, Mr. Thornton and Mr. Sexton among them, to know that Mr. Howarth was an inspector for the Royal Insurance Company in England before he came to this country. He and I blew into Everett about the same time twenty years ago. His first work was the adjustment of a few losses. As I remember it we inspected the paper mill together. His thorough knowledge of machinery and construction attracted the attention of the owners of that mill, and in due time they offered him a position as bookeeper there. He started in as such, and is now the president and manager of the institution, a banker, and a wealthy and respected citizen. Moral: Be a good Inspector.

The President—The next paper on the program is "The Installation of a Sprinkler Equipment," by Mr. G. A. R. Heuer.

The Installation of a Sprinkler Equipment.

G. A. R. Heuer,

Special Agent Ætna Ins. Co., San Francisco, Cal.

The firm of Russell & Hunt, dealers in wholesale groceries, complain because their rate of insurance is too high, and are informed by the broker placing their business that if they will install an automatic sprinkler equipment, a reduction in the rate of 50 per cent will be made by the Board of Fire Underwriters.

The risk in question is located in a four story B class loft building situate on Main street in San Francisco, and as Russell & Hunt have a large stock and consequently carry a large amount of insurance, they decided to adopt the suggestion.

It is the purpose of this paper to discuss the installation of this equipment, not its inspection *after* the deed is done. All other papers dealing with the subject of automatic sprinklers presume that the same have been correctly installed.

I will presume that this has not occurred and will attempt to show, in a non-technical way and in the language of the Neophyte, how rules for installing automatic sprinkler equipments will be carried out and why certain things are done.

The assured, the broker and the fire protective engineer know that before any reduction in the rate is allowed by the Board of Fire Underwriters, their sprinkler expert must first pass upon the installation. His opinion as to whether or not sprinkler rules have been adhered to, and what per centage reduction in rate should be allowed is final. He not only knows the rules, but the practical application of them, so when you become a "sprinkler expert," *do not* criticise him for slight deviations.

These rules are "man made," and the committee drafting them did not always agree, consequently some parts are the result of compromise.

To illustrate this, listen to the following taken from the stenographer's report of a meeting of the National Fire Protection Association when the latest rules for the installation of automatic sprinkler equipments were adopted.

In reference to the question of spacing of sprinkler heads, Mr. Fisk had this to say:

"Mr. President, it is very evident that there are, you might say, two very different views on this subject. There are certain ones who feel that in 8 feet bays we should always require 10 feet spacing; there are certain others who feel that this rule, as presented by the committee, is all right. Now, I think this is something, therefore, that we ought to be rather care-

ful about. There are certain members here of important organizations who feel very decidedly that the spacing should not be over 10 feet, and we must be very careful to get some rule, if possible, which will meet their views. I should be sorry to have this matter put to a vote as between 10 and 12 feet spacing and carried through by a majority, without some arrangement being made by which Mr. Phillips and Mr. Dana and any others who feel as they do about a 10 feet spacing being correct, could have the rules framed to agree with their opinion as well as with those on the other side, for there is a direct difference of opion here.

Mr. Crosby—May I inquire whether this proposition does not meet the desires of all?

The President—Which proposition do you mean?

Mr. Crosby—I mean the proposition for the adoption of the 1902 No. 3 rule, which Mr. Phillips has made, with the addition of the following: If conditions of occupancy and hazard warrant, upon determination of the underwriters having jurisdiction, wider spacing may be allowed in 6 to 10 feet bays as follows: 11 feet in 9 feet bays; 12 feet in 6 to 8 feet bays.

The President—Does Mr. Phillips agree to that proposition?

Mr. Phillips—I was just going to suggest another compromise. (Laughter.) I would really like to see some rule put forward that we can all agree to without exception, and I was going to suggest this. I make no motion about it, but just present it to see how it appeals to the other gentlemen, that the rule read like this: Sprinklers on each line not to exceed the following: 8 feet in 12 feet bays, 9 feet in 11 feet bays, 10 feet in 10 feet bays, 11 feet in 6 to 9 feet bays.

Mr. Kunhardt—All I can say, gentlemen, is that I think if you adopt this you will make a mistake, and I believe you will come around to my way of thinking after you have tried it awhile."

It is not necessary for me to quote more than the foregoing, as it amply bears out my statements, but to return to our installation and the problems confronting us.

The protective engineer finds out the following:

The building to be protected is four stories in height, 60 feet wide, 120 feet long, and of mill construction, consequently there is very little preparation required.

The elevator shaft is not enclosed, and as this condition really caused it to form a flue which would carry off "hot air," and as sprinkler heads are susceptible to the influence of this important adjunct, we must install curtain boards at each floor.

To do this carpenters commence at the ceiling and board up the sides of the elevator shaft to a distance of about three feet in a downward

direction. This is done on each floor and serves to bank up the heat by preventing its escape up the shaft and results in securing quicker action from the sprinkler heads in that portion of the building.

There are six 10-feet bays on each floor. By a bay is meant the space between lines of posts supporting the ceiling.

By referring to the National Board of Fire Underwriters' rules, we find that "under mill ceiling (smooth solid plank and timber construction, 6 to 12 feet bays), one line of sprinklers should be placed in center of each bay and distance between sprinklers on each line not to exceed 10 feet in 10 feet bays."

This is the maximum distance and might be restricted to 8 feet at the discretion of the board engineer.

As the building is 120 feet long, we will require 12 sprinkler heads in each bay, and as there are 6 bays we will have 72 sprinkler heads on each floor.

Now, having determined the number of sprinkler heads required to protect one floor, we commence to calculate pipe sizes.

In making the calculations we deal in this case with one floor only. It is not supposed by sprinkler experts that a fire will extend beyond the section between fire walls on the floor on which it starts.

The pipes to be considered are first the riser, second the feed mains, and third the branch lines or laterals to which sprinkler heads are attached.

The riser is the largest of all pipes and carries water to the feed mains. It extends from cellar to roof and should be of sufficient size to supply all sprinklers in any one fire area, which in this case is substantially all the sprinklers on one floor.

Rules require that there should be at least one riser for each building and in each section of the building divided by fire walls.

Assuming that the largest number of sprinkler heads on any one floor in the building under discussion is 72, we refer to the rules and discover that one 4-inch riser will be required.

The installation will then be regarded by sprinkler experts as having only one system, because there is only one riser and alarm required.

If the building had been larger and contained say three sections divided by fire walls, each section requiring 72 sprinklers on every floor, it would also require $\frac{3}{4}$-inch risers, 3 alarm valves and be regarded as having 3 systems.

The proper place, theoretically, is in the center of the building, but the vagaries of the architect sometimes precludes this. In this instance, however, we will assume that it is placed there. It could be placed at the side or even at the end, but this class of distribution is only admissable in

buildings of small area. Rules absolutely prohibit placing the riser in a corner with an end side or cross end feed.

To this riser, which is directly in the center of the building, we must attach the feed mains, one on each floor, extending the entire length of the building, from front to rear walls.

While attaching the feed mains we are careful that they are kept a sufficient distance from the roof or ceiling to allow placing sprinkler heads so that their deflectors shall not be closer than 3 inches to the roof or ceiling or farther than 10 inches from it.

To the feed mains we next attach the branch lines, or laterals, extending from one side of the building to the other, but it will not be necessary for them to actually reach each wall, as the farthest sprinkler head in either direction will be about 5 feet distant therefrom.

We have already discovered that we will need 12 sprinkler heads to a bay, and therefore as the riser is in the center of the building there will be 36 sprinkler heads between it and the rear wall and the same number of heads between it and the front wall on any one floor.

The entire pipe scheme when carried out will assume the appearance on each floor of a central support containing one cross arm, 110 feet long, which is crossed by twelve smaller arms, 10 feet apart and each 50 feet long.

Having decided upon the size of the riser we will calculate the sizes of the feed, main and laterals.

Upon reflection, we find that although the riser or central pipe must be large enough to supply all sprinkler heads on a floor, the feed mains must only be large enough to supply at the most one-half that number, or 36 heads.

For purposes of illustration, let us take the rear half of one floor of the building. It contains 36 heads. We require, according to the rules, a 3-inch pipe to supply them.

As the feed main extends from the riser and passes lateral after lateral, we see that it has fewer sprinkler heads to supply; thus, 10 feet from the end, the pipe need only be large enough to supply 6 sprinkler heads, or 2-inches in size.

We begin by attaching a 3-inch pipe to the riser and extend it to the first lateral. After it passes this lateral, it has six less sprinkler heads to supply, or now only 30. The rules still require that the pipe be 3-inches in size and it will remain so until it passes the third lateral and has only 18 heads to supply, when it is reduced to $2\frac{1}{2}$-inches, at which size it remains until it passes the fifth lateral, when it is further reduced to 2-inches, as be-

fore mentioned. These reductions in size give it the appearance of an extended telescope.

Treat the feed mains in the front half of the building in the same manner.

Next we calculate the sizes of the laterals. The largest size pipe needed must supply 3 sprinkler heads. Rules require that it shall be 1¼-inches up to the first sprinkler head. After it has been extended past this sprinkler head, it is reduced to 1-inch, or sufficient in size to supply 2 heads. After passing the second head, it is reduced to ¾-inch, or large enough to supply the third or farthest head.

By reducing our pipe sizes in this manner we make the system less expensive, and avoid what all sprinkler experts wish to avoid, an overabundance of water supply for some heads and a consequent lessening of the supply for others, the present scale of pipe sizes being the result of a great many experiments.

We next attach the sprinkler heads to the laterals, placing them in an upright position, with the deflectors parallel with the ceiling or roof, as the case may be.

The distance between the walls and the sprinkler heads will be 5 feet, as rules require that it shall not exceed more than one-half the distance between heads in the same direction.

Having installed the piping and sprinkler heads, we next direct our attention to the water supply.

We must have at least two sources of supply, and if San Francisco were a city with enough pressure at its mains to permit us to do so, we would secure our initial or primary supply by tapping the nearest large water main, but unfortunately the water company will not allow this, even if the pressure is available.

Our primary supply must be under heavy pressure, heavy enough to register at least 25 pounds on the highest sprinkler.

Unable to use the city mains, we use the most available means and in San Francisco this is the pressure tank.

It is not necessary for me to enter into the details of the construction of an air pressure tank. Sprinkler rules are explicit regarding its installation; briefly, it contains two-thirds water and one-third air, under a pressure (in this case) of 75 pounds. When sprinkler heads are discharging water the pressure finally drops as low as 15 pounds, which is sufficient to empty the tank.

A gravity tank would of course be better for a primary supply, if we could elevate it to a height sufficient to give the required pressure, but its erection in this case would be dangerous and costly. As a matter of fact, a

great deal of care must be exercised in placing any tank of large capacity.

A gallon of water weighs 8⅓ pounds and, fortunately for us, the heavy walls of the building occupied by Russell & Hunt are able to sustain our water supply; otherwise, it would be necessary for us to start at the foundations and erect a tank frame extending through the building to the roof.

Our secondary supply will come from a gravity tank placed near the air pressure tank, which, as you have already surmised, will be on the roof. The bottom of the gravity tank is elevated not less than 20 feet above the highest sprinkler.

Now, we will calculate the largest water supply required, thereby deciding upon the respective sizes of our tanks.

A simple rule in use is as follows: "20 gallons a minute per head for 20 minutes for 25 per cent of the heads in one fire section."

Let us apply this: 20 gallon a minute for 20 minutes would be 400 gallons; 25 per cent of 72 heads would be 18 heads, 18x400 is 7,200, or the number of gallons required.

The underwriters having jurisdiction on the Pacific Coast do not in any case allow a smaller gravity tank than one of 10,000 gallons capacity, consequently we must have one of that size, although this same tank would supply 100 heads. Further, as they rule that the pressure tank must have at least one-half the capacity of a gravity tank, we will use a pressure tank holding 5,000 gallons of water. The gravity tank being the secondary supply in this case is not permitted to empty the contents into the sprinkler system until the primary supply is exhausted.

This is accomplished by means of a check valve which is held closed by the pressure from the pressure tank. When this is released, the valve opens and a secondary supply is brought into action.

Perhaps those who have heard this paper read will sometime in their experience find such a large number of sprinklers in one area that the rule quoted for figuring water supply will demand such large size tanks as would seem ridiculous.

Judgment must be applied to cases of this kind. It is not expected that 25 per cent of the sprinkler heads in one large area will be opened by a fire unless it gets beyond control or a stock with a tendency to flash fires is being protected.

Experience has shown that in 83 per cent of the fires in sprinklered risks, the greatest number of heads opened in any fire was twelve.

But to return to our equipment; having provided pressure and gravity tanks, we next attach a Siamese hose connection to each sytsem for the use

of the fire department (a thing they enjoy overlooking), and then give our attention to the alarm.

This is most important; without it a fire might start, be extinguished by the sprinkler heads and thousands of dollars worth of stock damaged because no one was around to turn off the water.

The alarm is so constructed that a flow of water through it operates a mechanical or electrical gong, or both. Any movement of the water in the system operates this and we will, therefore, attach it to the riser with the mechanical gong on the inside of our building and an electrical attachment to a gong in the central station of the American District Telegraph Company.

We then attach our pressure gauges as follows: One on the pressure tank and one at the system alarm valve. There may be others added for the convenience of the house engineer, whose duty it is to see that the air pressure in the tank is kept up.

If this were a dry pipe system, one gauge would be required to show the air pressure above the alarm valve and another to show the water pressure in the riser beneath it.

Next we attach a vent, closed by a small valve, near the top of the riser. When this valve is opened, as much water as would escape from an open sprinkler head is emitted.

This is used to test the alarm and is known as the alarm test valve.

With the exception of a few details, such as strapping open gate valve, etc., our installation is finished.

This is the simplest form of an equipment. Different risks require different treatment, but the basic principals remain the same as in this case.

In isolated risks it is sometimes necessary for us to use automatic steam pumps for a primary supply.

When we are obliged to use salt water it is desirable to keep fresh water in our sprinkler system to prevent the pipes from corroding.

In cold climates, it is impossible to properly protect our sprinkler system so as to prevent the water in the pipes from freezing. We would then use a dry pipe system. In such a system, the pipes are full of air under pressure instead of water.

In the feed main to each system is a dry pipe valve, which is automatically designed to hold back the water until the air pressure has been reduced through the opening of a sprinkler.

It is not my purpose to further discuss these, nor would it be possible, in a paper of this length, to explain every sprinkler rule. Those who are interested can by slight effort master these rules and apply the same to the

different conditions which they may meet. I have intended this paper to deal with a simple case, requiring simple treatment, and I trust that it has fulfilled its requirements.

The President—Personally I am very much pleased to get this paper. I had an opportunity of reading it and considering the subject somewhat. It seems to me that if the young men in the business will take this paper and study it, coupled with the paper written by Mr. Robertson on the Inspection of a Sprinkler Equipment, that a great deal of help could be secured by the young man, if he will apply himself properly. These are two papers that should go together. I would be very glad to listen to any remarks that you gentlemen may have to make on this subject.

Mr. Thornton—Is there any difference between the rule for the supply of twenty gallons for twenty minutes for 25 per cent of the head, than say, 100 gallons for each head? Wouldn't it work out the same?

Mr. Heuer—In reply to that, of course I want it understood that I am not a sprinkler expert. I am interested in sprinklers, but am frank to say that I am not prepared to state why that rule has been adopted, and if the one hundred gallons per head for twenty minutes is sufficient, and will practically comply with this rule, although worded differently, I don't see why it should not be adopted. It may be that I have not comprehended fully Mr. Thornton's question. If I am not in error in my statement, I hope I have made it clear—if not, I should be glad to have Mr. Thornton discuss this further with me. Am I properly answering your question?

Mr. Thornton—Not exactly. Twenty gallons for twenty minutes would be four hundred gallons for 25 per cent of the head (which would be eighteen heads), making seventy-two hundred gallons. The number of heads originally was seventy-two; now wouldn't one hundred gallons per head, leaving out the number of minutes, be sufficient for each head installed?

Mr. Robertson—I might possibly be able to answer the question. It is purely an arbitrary and empirical rule. It is not based on anything more than mere convenience and a method of getting at a quick solution of this problem. The amount of water discharged from one sprinkler head under different conditions of pressure has been very carefully tested a great many times, and the only way to get at a working rule such as this, is to assume some pressure which would generally be found and which is a good average. Mr. Thornton's rule would probably work equally well, except that you do not have one hundred pounds pressure as frequently as you have twenty-five pounds. There is no particular reason why any pressure should not have been taken, only it is easier to take a pressure which is customarily found than it is to take a higher pressure and reduce the formula. I think possibly that will answer Mr. Thornton's question.

I would like to congratulate Mr. Heuer on his paper. I think it is a very simple and straightforward explanation of a good sprinkler equipment based on absolute facts and the rules as they are now understood. There are two points to which Mr. Heuer has called attention in his paper which are worthy of notice. One point is that with regard to the vagaries of the architect. No human being who has not had some experience with the installation of a sprinkler equipment under the direction of an architect can have any idea as to what those vagaries are. The architect naturally seeks harmony and symmetry in appearance, and is impatient and irritable in the presence of requirements for fire protection. It is nothing to him whether a sprinkler equipment will distribute equally and properly or not. That is of no importance to him whatever. All he wants as an architect is that the owner should know that he has completed the building. He does not want any fire apparatus which shall be in evidence—he wants it to be concealed and out of the way. In the construction of a department store, for instance, the architect will try to get you to believe, if possible, that you can get along without it. The present system of reinforced concrete construction, for instance, offers a great many problems of this nature, and architects are prone to divide the ceiling into a number of panels, and then to subdivide those panels,

so that it becomes almost impossible to have a sprinkler pipe there without noticing it, and when it is installed these subdivisions of the ceiling obstruct the distribution of the water to such an extent that it will not fall evenly on the floor.

The next thing is the remark apropos of the Siamese connection. Fire departments overlook these connections frequently. The late Chief Sullivan was one of the best men in this respect I have ever met. He was thoroughly in accord with the best means of fire protection, and welcomed the sprinkler equipment, and made all his men learn how to use it. The late Chief Shaughnessy was the same. I am not informed of the attitude of the present chief in San Francisco. The chief in Los Angeles who preceded the present chief was unalterably opposed to sprinkler equipments, and even the chief of New York City is not enthusiastic about them. I have seen an answer to a letter he wrote to someone inquiring about the value of a sprinkler equipment, and he said it was practically none at all. If that matter were taken up by people interested in protection it might have some effect in ameliorating this state of things. I don't suppose that you can convince the architect, but you might have some effect on the chiefs of the fire department and the subordinate officers, by impressing upon them the desirability of using sprinkler protection as an adjunct to fire fighting.

The President—I would like to ask Mr. Heuer a question. In this building, one hundred and twenty feet long, containing seventy-two heads—we will suppose that is one system, under a dry pipe system—how long would it take a single head to exhaust the air in that system of seventy-two heads?

Mr. Heuer—Well, I think that is almost an impossible question to answer. I do not believe that has ever been timed. The question is rather an unusual one. I have never been in the vicinity of a sprinkler of the air-pipe type when it opened. I do not think there is any record which will show the time that it requires one sprinkler head in a building this size, to exhaust the air. I am sorry that I cannot answer that for you.

The President—Well, I thought I would ask the question. The information came to me sometime ago that in a dry-pipe system where there was a multiplicity of heads—in other words, where the single system was not confined to a small number of heads—that the time it took to exhaust the air from the system was so great that the fire burned through the flooring and got away from the system before the water got there. The criticism was that the insurance companies that installed these sprinkler systems were inclined to extend the pipe system over too great an area and put in too many heads, which resulted in too long a time to exhaust the air and permit the water to come along and put out the fire. Mr. Robertson, have you anything to say on the subject?

Mr. Robertson—I can answer that, also. The time would depend upon the air pressure in the system and the water pressure in the main. The rules require that there shall not be more than five hundred heads on any dry-pipe system. As a matter of fact, we ask the company not to put in more than two hundred and fifty or three hundred. That is the most that are installed at the present time. I had an opportunity of testing this particular point on one occasion in a sawmill. I opened a head at some distance from the dry pipe valve. The system had had about five hundred heads originally, and there had been added thirty or forty more, which was slightly more than the maximum allowed. I noted the time from the opening of the sprinkler head until the arrival of the water at the sprinkler head, and it was exactly three minutes; generally it would be much less.

The President—That answers my question.

Mr. Folger—Originally I was engaged in the mercantile business, and went into the fire insurance business on two days' notice. On the second day I was handed a copy of Ratebook No. 4 and told that if I wished to become familiar with the business I had better read it through. The effect upon my mind on making the attempt was probably similar to that which follows an attempt on the part of the special agent to take up the matter of sprinkler equipments by reading the standard rules for their installation, without any previous preparation. The chief merit of a paper

such as we have just listened to, lies in the fact that the writer has made a clear and simple statement of the matter. One who knew nothing about an ordinary sprinkler equipment could understand this paper from beginning to end, and would learn something definite about the subject. It has the advantage of dealing with a case which is free from problems, and any student could take this as a basis and build upon it with some hope of getting an intelligent idea of how automatic sprinklers work, and how equipments should be handled. Men in our business are better equipped now than in former years. If not abler men mentally, they are by educational training better fitted to take up hard questions, and they ought not to be afraid to face them. Those of us who know that this is Mr. Heuer's second paper, and not his first, were prepared to expect something good. I know that it is not customary in this Association to say anything eulogistic about our members until after they are dead; so that I shall content myself by saying that this paper is, to the fullest extent, what we should have expected it to be.

The President—I agree with all that Mr. Folger has said. If there is no further discussion on this paper, we will pass on to the next, "State Supervision—Federal Supervision," by C. R. Harold.

State Supervision—Federal Supervision.

C. R. Harold,

Special Agent London and Niagara Ins. Cos., Seattle, Wash.

The problem that confronts every solvent insurance concern in this country today, is how may it profitably and economically serve forty-six masters. "No servant can serve two masters." The problem is insolvable. The amount we pay annually into the treasury of the different states exceeds the cost of supervision by more than ten million dollars. How long, gentlemen, will it be before the public realizes that this money comes out of the pockets of the premium payers? How long gentlemen, will it be before we are no longer molested by adverse legislation? How long will it be before we will cease to be called upon to go before the different legislatures asking for protection against vicious measures that are inroduced at practically every session of the legislature in almost every state in the Union? How long will it be before our courts will be willing to construe an insurance contract as they are willing to construe other contracts? How long will it be

before the premium payers, who are the tax payers of our country, realize that every burden placed upon the insurance companies by legislation, either municipal or state, must of necessity fall in directly upon them ? Not until we have secured federal control.

It is not my belief that this change would entirely wipe out all of our troubles, or that it would bring in the millennium, but it would be a long step away from the drastic, chaotic and destructive conditions which have developed under the existing plan.

In 1898 the possibilities of federal supervision were discussed at an insurance commissioners' convention which was held in the city of Milwaukee. Mr. John A. Finch or the Indiana bar, presented the views of many commissioners. In reply to any enquiry from him concerning their views on the question, out of fourteen submitting an answer, three were in favor of it while eleven were opposed to it. The majority were either in doubt, or expressed no opinion whatever. As early as 1865, the father of state supervision, Elizer Wright, of Massachusetts, recognized the necessity of federal supervision, and in his report as commissioner lent the weight of his authority to the idea in the following:

"Inasmuch as insurance is a general interest and every insurance institution should be secured as much as possible against the adverse operation of local causes, it is difficult for us to perceive why the supervision of all insurance companies of every sort, intended to operate beyond the limit of state lines, should not be a function of the general government.

There seems to be no less reason for regulating it by a national bureau than for taking the census, or encouraging agriculture or invention, by one central authority. Simplicity and economy alone seem to require it, and since the citizens of every state do as a matter of fact largely avail themselves of every constitutional right to the privileges of citizens of other states, it may well be questioned whether in regard to life insurance especially, any state can protect itself as well as it might be protected by the general government."

But there are few who have the courage of their convictions as Mr. Wright had, and on account of political changes, there are few who have the opportunity of remaining in office long enough to become sufficiently conversant with the economical side of the question to express an opinion or to gain the confidence of the public and the legislators. As a rule he goes into office as a result of a political debt; that is, if the office be appointive, and if elective he is more liable to win if he decries all corporations whether good or bad. The system is wrong. If we are to continue the present system of state supervision, how can we hope to improve it ? The most effective plan to my mind is publicity. Let us take the public into our con-

fidence. Let us endeavor to show it as near as we can just what anti-compact laws, valued policy laws, excessive taxation, and all of the features that enters into the loading for expenses of operation is costing it. In the state of Washington every property owner whose risk is specially rated can secure a copy of that rating and from it determine just what enters into the making of the rate. Would it not be well to add a little to this schedule and show the assured just what the taxes are costing him, and if possible an estimate of just what the valued policy law is also costing him ?

The valued policy law which is now in force in twenty-one states first originated in the state of Wisconsin, and to give some idea of its probable cost to the honest premium payer, Professor Zartman, the author of "Yale Readings in Insurance" says:

"At current dwelling rates, if one property owner out of five hundred is tempted by this law to burn his property, it doubles the cost of insurance to the remaining five hundred policyholders."

In some of the states the commissioners have estimated that twenty-five per cent of all losses are of incendiary origin, and mostly prompted by legalizing this crime. The valued policy law is costing our good people millions of dollars annually, and making criminals out of many who might otherwise be useful citizens.

It is unfortunate that the average layman and even the majority of our courts, are so hostile to the one interest which plays the most important part and is the very foundation of and is the most notable factor in the traffic, credits and commerce of our country. In a case recently before the courts of King county, Washington, one of our judges in open court, stated that he thought insurance was written to be paid, and intimated that regardless of the contract and regardless of conditions surrounding the loss, it was a contract of indemnity to be paid in case of a loss. It is practically impossible to go before a jury with an insurance case regardless of the conditions surrounding the loss and get justice. The same condition prevails without a jury, as our courts are not as a rule willing to construe a contract of insurance the same as other contracts. How can we remedy these evils ? You may answer this questions by saying that we should endeavor to have each state adopt a standard policy form, but this would be a dangerous proceedure, for as soon as we undertake any legislation for the betterment of conditions we are confronted with amendments that are usually drastic, and we find ourselves treading on thin ice. In the state of Washington, however, we are hoping for a betterment of conditions, as a law was passed at the last session of the legislature authorizing the governor to appoint a code commission for the purpose of codifying the insurance laws of the state. This commission has finished its labors, and it is generally understood that their

recommendations will not be antagonistic to the insurance interests, which we all know in the end are the interests of the public. In this particular case the legislature is more liable to adopt the commission's report than if it should have been a bill drawn by some individual legislator, but there is no certainty that their recommendations will be adopted. In many of the states, as you know, we are not permitted to in any way form a combination for the purpose of even recommending rates, and in some of the states are not permitted to write insurance except at rates promulgated by the state. The right, however, for state rate making has temporarily received a set back. In the state of Nebraska Judge Munger of the United States circuit court for that district has decided in no uncertain language that the state has no more right to regulate insurance rates than it has to fix the price of all other commodities sold in the state, or to fix the price which may be paid for labor. The question, however, of the ultimate outcome of this case when it reaches the court of last resort cannot be foretold, but to the average layman his reasoning is logical.

In England there is one tariff association of practically all companies, which has enjoyed a continuous existence for more than fifty years. This association determines the rates for practically all the companies and the rates have been so uniformerly satisfactory that mutual competition is practically unknown. The association is recognized as being absolutely necessary for the proper and safe conduct of the business, and has never been considered by the courts as being in any way a combination in restraint of trade or in any way illegal; while in this country our tariff associations have been hampered in every way possible by statutory requirements; every barrier possible has been placed in their way, and in many states they have been prohibited from operating in any form. Among the several states of the Union where the tariff associations are allowed to operate, we find a decided reduction in rates as compared with states where they are not allowed to operate. If we extend this comparison to European countries where the associations are unmolested we find the prevailing rates so low that in many cases they are much less than the commission paid for securing the business in this country.

At the several conventions of insurance commissioners the problem of uniform legislation has been discussed and much good has resulted in the matter of uniformity of blanks for the filing of the companies annual reports, but the matter of uniformity of laws for the several states could only be brought about through years of hard work and a careful campaign of education, and would then be possible only to a limited extent.

If the different insurance departments in the several states could be put under civil service regulation, that is if the clerks in the departments were

not subjected to political changes, even though the office of commissioner must still continue in politics, it would doubtless be one step forward, as it would in many instances relieve the incoming commissioner of a responsibility, in the performance of which he is in so many cases incompetent. It usually takes a few years to familiarize himself with the details of his office, while if he could discharge an employee of the department only for incompetency, his position would immediately be strengthened and he would enter upon his duties and soon gain a fund of knowledge that would be beneficial to his constituency. Summing up state supervision as a whole, it has proven a failure. Our business, which is the very foundation of credit, and which is an absolute necessity to every merchant, manufacturer and owner of real or personal property, and which stands between many of our people and absolute ruin; why is it that this business is singled out for so much unjust discrimination by these various states? There is only one answer to this question. The lack of knowledge of the economical and fundamental principles of insurance. The campaign of education which has been launched by the unions in the East will doubtless do much to relieve us of much drastic legislation, but it will take years to educate the public, while by united efforts on the part of the great fire, life and all other reputable insurance institutions, we might possibly bring about federal supervision in a reasonable length of time. It is contended by a great majority of our eminent attorneys that federal supervision cannot be brought about except by amendment to the constitution, while on the other hand we have some of the greatest legal authorities in the country who contend that the question has never yet been properly presented to the supreme court of the United States. You are all more or less familiar with the noted decision of the supreme court which was handed down in 1868, Paul vs. Virginia. Under the laws of Virginia, Paul, who was a resident of that state, and the agent of a New York fire insurance company, was not permitted to act as such agent until he had obtained a license from that state, and this license would not be granted until his company had made certain deposits with the state treasury. Notwithstanding this Paul negotiated a policy in the New York company without obtaining a license. For this offense against the law he was tried and convicted. He sought to overthrow this decision by appealing to the supreme court of the United States, upon the ground that the statute was unconstitutional, as denying to the New York company, which was alleged to be a citizen of New York, the privileges and immunities of citizens of Virginia, and upon the further ground that the Virginia statute encroached upon the federal power to regulate commerce. A decision was made against him. This unfavorable decision has not crushed the movement for federal regulation. Its advocates are still waging an educa-

tional campaign which is resulting in an extensive literature. Justice Field in this case said:

"Issuing a policy of insurance is not a transaction of commerce. The policies are simply contracts of indemnity against loss by fire, entered into between the corporations and the insured, for a consideration paid by the latter. These contracts are not articles of commerce in any proper meaning of the word. They are not subjects of trade and barter, offered in the market as something having an existence and value independent of the parties to them. They are not commodities to be shipped or forwarded from one state to another and then put up for sale. They are like other personal contracts between parties, which are completed by their signature and the transfer of the consideration. Such contracts are not interstate transactions, though the parties may be domiciled in different states. The policies do not take effect, are not executed contracts, until delivered by the agent in Virginia. They are local transactions and are governed by the local law. They do not constitute a part of the commerce between the states any more than a contract for the purchase and sale of goods in Virginia by a citizen in New York whilst in Virginia would constitute a portion of such commerce."

The court has held to this view on every subsequent occasion when it became necessary again to consider a similar case of facts.

During the first fifteen years after the adoption of the constitution, twelve amendments were made to it, and during the next sixty-two none were made. During this area the constitution was being interpreted. During this time the courts were slowly finding out the powers granted specifically or by implication, and they were able to find out all that was necessary to carry on the national government. Under a strict construction of the constitution it is a question whether it gave to congress the right to purchase Louisiana and to acquire Porta Rica, the Hawaiian Islands and the Phillippines. It was probably more through necessity or implication that this was done. In 1868 the question of insurance did not play a very important part in the commerce and credits of the country, while today it is the very essence and foundation of credit, and business in its present mammoth proportions could not be conducted without it. If the famous Paul vs. Virginia case had not been decided until the present day the decision would undoubtedly have been different. Towards this decision of the supreme court we maintain the attitude of Lincoln toward the "Dred Scott decision." He said:

"It is not resistance; it is not factious; it is not even disrespectful to treat it as not yet having quite established a settled doctrine for the country. The court that made it has often overruled its own decisions,

and we shall do what we can to have it overrule this. We offer no resistance to it."

The supreme court has several times said that insurance was not commerce, but later on it may take a different view. Shall we not do what we can to try and make it take a different view? There seems to be good reason for thinking it will take a different view, providing the case is submitted properly. There are many authorities who think the court has practically already overruled itself in the famous "Lottery Case." Insurance is business. It is certainly commerce, as it includes the purchase and sale of contract rights, which have become an indispensable factor in business, credit and in traffic. It is a business that is easily embarrased by legal requirements. It is a business that is most secure when widely distributed, and it is a business which requires a reasonable measure of governmental supervision. At the present time it is more extensively supervised than any other class of business. The transportation of goods and passengers is commerce. A telegraph or telephone message relating to a fire insurance policy is commerce, but the policy itself sent by mail, is not commerce; but if a company talks to an assured in another state, the talk is commerce, but the subject of the talk is not commerce, according to the decision of the supreme court. Congress always has sufficient power to meet any emergency. If it should meet the present emergency by taking away from the states the right of supervision and the matter should then be submitted to the supreme court, there is little doubt that the court would sustain congress. It is fair to say that a business involving such mammoth interests, capable of such great usefulness; a business so necessarily inser-state in its nature, is entitled to just supervision and wise control. It would be the natural tendency of the court to follow the wishes of congress, which are supposed to represent the wishes of all the people. In the famous "Lottery Case" the court was probably seeking to put an end to a great public evil; to abate a great public scandal. It was an evil that would not be ended by the states, and was so recognized by the court. Insurance presents a case where it is not to destroy evil, but to conserve and protect the greatest public utility. If the combined insurance interests would get behind the movement to place insurance under federal supervision, by conducting a campaign of education along proper lines, pointing out the great saving to the country which would undoubtedly come through not only saving from excessive taxation and drastic laws, but it would undoubtedly bring about a great saving to the public in the way of purchasing stock in wild-cat concerns which is now one of the greatest evils existing.

Will the insurance interests act? Will congress act?

The remedy that has been applied through state legislation and supervision has failed to cure the most malignant disease that attacks our commercial and financial interests. The gates of congress are almost ajar. The latch has been lifted, and through this gate will be found the remedy we have been seeking.

The President—I consider that paper of unusual importance. I shall personally take a great deal of pleasure in reading it very carefully a number of times in order to get the full benefit of it. I would like to hear some discussion on it, if you have any remarks to make. If not, I will call for the next and last paper on today's program, "State Rate Making," by J. V. Spears. Mr. Spears wrote this paper some few weeks ago; he did it as a personal favor, and it is one of those last-moment papers. It perhaps might be news to some of you that prior to that time two gentlemen who were to write papers, Charles Hill and Mr. Sprague, died, and that left me somewhat embarrassed for papers. I wrote to Mr. Spears for a last-moment paper, and he very kindly consented to write it. He made the first draft, then was taken suddenly ill and died. The paper was sent on here, that is, the first draft of it, as he had no opportunity to complete it before he died. The paper will be read practically as he wrote it.

State Rate Making.

Jacob V. Spears,

State Agent Fireman's Fund, Dallas, Texas.

During the open rate war in Texas, which was the offspring of the anti-trust law, many insurance men in the different branches of its service were heard to pray for a state rating law. After a single year's trial these devout individuals find themselves in hearty accord with the little boy who had lost his faith in prayer, because he had for six months prayed for a little baby brother, and was only presented with a *goat*.

That a wave of unreast is sweeping over the states and directing its course against all kinds of corporations is evident to all. That the insurance business should be caught in its running, is no surprise, and several states have already declared their intent to run our business, name our form of contract, define our riders, price our indemnity, and leave to us only the broad privilege of paying taxes and losses.

All this is wrong, absolutely wrong; first because of its unconstitutional feature under the fourteenth amendment of the U. S. That I will leave to lawyers and the courts to establish, but establish it they certainly will at some not very remote time.

Why it is wrong from our point of view I will endeavor to bring out:

Rate-making on a fair and as nearly as possible scientific basis, is an abstruse proposition, and requires that it be by trained students of special and unusual qualities. Good rate men must be experienced in their work, and untrained, inexperienced political appointees, will not one in a million be capable of filling the bill, even if they tried earnestly and honestly to do so.

A political appointee is necessarily a politician of more or less developed usefulness to his party. He has the political bee in his bonnet, and it begins to buzz as soon as he gets his first position. Its buzzing tunes a little song, "Do for the people," "Do something they will see," "Do something they will appreciate and remember you for, that will put you higher up on the political ladder." There is the first danger.

Few, very few of them, are strong enough to look into the future and evolve any *needed* benefit to the people. They must clothe themselves in glory, fighting pictured monsters in their midst, and corporations usually receive their prompt attention. It then follows that a politically formed state fire rating board sacrifices the insurance companies for the supposed benefit of the people, the present benefit. In the same senseless method, might our state officials open the doors of all the vaults in the nation and bid the people help themselves, and wreck our country.

It is an historical fact that no order has eminated from any state board which was based on a conclusion reached by actuarial research; but, the converse is established that every order has been for reduction of rates, and in the face of an overwhelming array of evidence furnished by the insurance companies supporting and justifying the previous scale of rates in question.

The state rating authorities cannot, and never do view the question from the underwriting standpoint. They are untrained to the work, incompetent and prejudiced.

State rating requires the observance and application of adopted rates by a certain time. This involves untold expense, dangerous hurrying and much bungled work, all to be done over and over again.

If state rating also involves anti-discrimination, and that is a new microbe, too, the vexations are multiplied like the children of Abraham. A schedule of most intricate features must be prepared to meet the exactions, and so applied that each detail of construction, exposure, pro-

tection, occupancy, and in fact, all features entering into the fire hazard are considered in applying same, lest we err and discriminate in favor of some man living in Salteen against one living in Seal Bay.

A most objectionable result of such a law is the constant condition of unrest forced on company officials and agents, and never does the business settle to business-like running. A board order comes out making certain deductions from a given date. Agents rush pell mell to give their customers the rebates. Many exceed their authority and rebate back of the proper date, and to issuance of the policy. It has been our experience that *the board did object to this practice*, so the offices are flooded with endorsements.

The addition of a single piece of fire apparatus to a city's equipment frequently produces the same result as under an anti-discriminating schedule; the basis rate of each town is affected by each piece of apparatus used.

I would say state rating would be all right, if we could have at all times an ideal state rating board; but, remember, the word "ideal" embraces fairness, honesty, intelligence and technical underwriting knowledge, but as this is not possible, state rating is all wrong.

Don't think I am a rabid anti-politician; some of my best friends are in politics, but I do say that while a certain number of voters can make a congressman, votes cannot make an underwriter.

State control of insurance rates will undermine business. The credit of the nation will be shaken if insurance companies are not allowed to pile up millions of reserve. Reserve must be created and maintained. Annually, fire losses are growing greater; conflagrations are bound to come, and the American people are not learning to build properly.

Present conditions demand that we look ahead, penetrate the curtain drawn across the future and see where all this political fanaticism is dragging our business. If public clamor, produced by political agitation and personal greed, reduces the price of our indemnity by state interference and control, and we are left a bare margin of profit based on vacilating annual results, there will be no possibility of creating the necessary surplus with which to safeguard the calamities of future and unfortunate years. Nor are those jumbo companies who have their millions piled safe from the insidious dangers of state control of rates. Once it becomes to any degree widespread, future profits will cease and a rapid melting of their accrued wealth will result because unusual and excessive losses will have to be paid from present holdings.

The timid way in which the insurance interests allow the steam roller to be run over them, makes them the laughing stock of the commercial world. We do not take the proper interest in political affairs. We fail to

grasp the hydra-heads and battle with them. The public does not know our side of the question. In turn we quietly and silently let such laws be made and then jump into the courts and spend our time and money killing them. Usually we do so in the state courts, and the next legislature promptly passes a new one, mending the defect on which we won out. Our fights when conducted after the laws are made, should be in the federal courts, where the whole thing would be settled for all states.

That the state has the power to fix the price at which indemnity can be sold regardless of cost of losses and expenses; to fix the price of bread regardless of short crops and cost of wheat; to fix the price of meat regardless of dry season, no grass, and cost of cattle; or to fix the price of any commodity, is ridiculous, is certainly unconstitutional, and is carrying the doctrine of state rights and paternal government away beyond anything that the most ardent advocates of these doctrines ever dreamed of.

The President—We will now take an adjournment until tomorrow morning at ten o'clock.

Second Day

WEDNESDAY, January 11, 1911, 10 o'clock, A. M.

The President—The meeting will please come to order. The first paper to which your attention is called this morning is "Work of Fire Underwriters' Inspection Bureau on the Pacific Coast," by W. R. Roberts. Mr. Roberts has written this paper under considerable difficulty. He had sickness all during the entire year and was obliged to take the notes he had made through the year on this paper up to Portland with him, where he was transferred, and then write the paper and send it down. He did not ask that any apologies be made for him, and I am making none, as his paper needs none. The secretary will read the paper.

The Work of the Fire Underwriters' Inspection Bureau on the Pacific Coast.

W. R. Roberts,

Assistant Manager Fire Underwriters' Inspection Bureau, San Francisco, Cal.

To begin with, permit me to explain who and what the Fire Underwriters' Inspection Bureau is. There may be some who are not as familiar with the personal workings of this branch of the underwriting business as others; therefore I will explain who we are and what we are doing.

The Fire Underwriters' Inspection Bureau was first introduced on this coast in 1885, just twenty-five years ago, by the present manager, Mr. F. H. Porter, who opened an office at 318 California street, the working force at that time consisting of the chief inspector, two inspectors and one clerk. The work of the Fire Underwriters' Inspection Bureau is confined to fire prevention and fire protection, and the promotion and enforcement of laws pertinent to the aforesaid subjects.

In 1885, in San Francisco the percentage of preventable fires was 29 per cent of the whole number. In 1895, in the same city, ten years later, the percentage of preventable fires was 7 per cent of the whole number, and in 1904 and 1905, the percentage was 5 per cent of the whole number.

Thus you see the effect of the work from a fire prevention standpoint in the city of San Francisco within a period of twenty years.

The bureau has grown and expanded considerably. In 1903 an office was established in Los Angeles, with a present working force of three inspectors and one clerk. In July, 1902, offices were established in the cities of Portland and Seattle. These two offices now have each a working force of two inspectors and one clerk. As the work progressed the bureau expanded, offices were opened in Tacoma, Spokane, Salt Lake City, Ogden, Oakland, including Alameda and Berkeley, and we are not through expanding as yet; at least, we hope not, as we feel our work has been effective in the various cities in which we now operate.

First of all, our work in all offices, consists of a regular systematic inspection of all buildings within the inspected districts, which includes the fire limits in all cases; surveys are made, with all violations, defects and complaints noted upon the report. The inspector making the report keeps a memorandum of all such complaints and recommendations, and in the course of a few weeks or days, whichever the case may be, goes back, follows up his work and sees that the complaints and violations are remedied. This, I understand, is a practice not adopted by most Eastern bureaus. Electrical inspections are made in connection with the survey of the risk.

Second, a complete survey of schools, churches, institutions, etc., is made, kept and followed up, the same as the regular district work. Also, a complete file and survey of all standard reports, including sprinkler reports, on mills, factories, garages, large department stores and omnibus risks is made and kept on file, same as regular district reports.

The form used for this latter report is made up and compiled from the very latest ideas and suggestions of the most competent engineers and insurance surveyors in the business. The report, we feel, is complete from every point of view to an insurance man. These reports, in many cases, contain colored maps which accompany them, which are drawn the same as the regular maps, made by the map companies doing business on this coast.

For instance, on a plant not shown on the regular Sanborn maps, used on this coast, a complete map is made by the surveyor making the report, showing location of building and relative distances, water mains, hydrants, etc. These maps are sent out with reports, are colored, and made up exactly the same as those made by the regular map companies.

These reports in brief contain the names, location and class of risk, number of hands employed and hours of operation; goods made and sold, processes, a list of machinery and the distribution of values; also, a sum-

mary, giving a brief description of the risk, including the protection and the inspector's personal idea of the risk in class, disregarding protection and exposures, and of the risk as a whole.

The prominent desirable and undesirable features are well taken care of, then a complete detailed description of the construction, including the occupancy, the exposures, common hazards, including power, heating, lighting, and the complete details on all special hazards connected with the risk. The matter of protection, both public and private, is gone into very thoroughly and includes details in regard to standpipes, and hose, casks, pails, kind and number of chemical extinguishers, date of last charging, location of nearest hydrants and public apparatus, the watchman's service and general administration, records of fires and recommendations.

These reports, when done by branch offices, are sent to the main office in San Francisco, where they are checked by an engineer, then stenciled, printed, and mailed to all members of the bureau, including special agents in the field and in many cases to the head offices.

Thus you will see the scope of the work is entensive and involves many details.

The position of an inspector in charge of a branch office is an important as well as responsible one. In all of the cities in which we are operating, the inspectors are invested with the authority of fire marshal; in many, also that of building inspectors. They are held responsible for the enforcement of all laws pertaining to fire, explosives, oils, theatres, and all places of amusement. They investigate all possibly preventable fires and work in very close harmony with the various fire departments and city officials.

The drafting and promotion of city ordinances pertaining to fire is another important factor. For instance, in the new building code passed in the city of Portland, Oregon, and going into effect January 1st, 1911, the various sections pertaining to the storage and use of gasoline and various kinds of oils, the erection and regulations pertaining to dry-cleaning establishments, garages, the storage and use of crude petroleum for fuel purposes, were all drawn and furnished by the inspector in charge of the office in that city.

The sections pertaining to the creation of a city department of electricity, the appointment of competent inspectors and the adoption of the national code of rules were also drawn by the aforesaid inspectors; as well as the sections giving the chief of the fire department and fire marshal authority to regulate nickelodeons, film exchanges, limiting the areas in certain buildings, the protection of exposed openings. The recent budget

for Department of Buildings, as signed by the mayor, provides for two electric inspectors to be appointed at once. All such fire prevention and protection sections were drawn for this Portland ordinance, and in fact in all cities, all such measures are constantly being agitated and promoted, with marked success.

The laying out of water systems for cities, as well as private mills and plants of all kinds, is another important factor; in fact, the matter of fire protection and fire prevention is becoming of more importance, especially in the rapidly growing cities of the West.

The Fire Underwriters' Inspection Bureau, as stated in the fore part of this paper, started twenty-five years ago with an office in San Francisco. Now we have the main office in San Francisco, with a manager, assistant manager, engineer, six inspectors, clerks, copyists, etc., and branch offices covering ten of the principal cities of the Pacific Coast, well equipped to handle the situation.

In conclusion, permit me to call attention to the growth and progress made by the bureau since its commencement in 1885. We have certainly grown some, and we want to keep on growing and expanding till we reach and are represented in all the principal cities in the states in which we are now working.

The President—I was very anxious to get a paper on this subject, because I do not believe that the public generally are familiar with the work of this inspection bureau; perhaps it might be said also that a large proportion of insurance men are not. These inspectors, regardless of whether a man has a fire insurance policy or not, enter a building and inspect it, and they remove hazards. I found a particular case in point in Portland. I inspected a risk and found a very serious defect. It happened that my company was on the risk for re-insurance, and the ethics of the business would not permit me to suggest anything more than take up the hazard. I went down to the gentleman who wrote this paper and said, "Mr. Roberts, at such and such a location there exists a very bad hazard, in my opinion. Can you take a look at it?" He said, "I will." The next day I got a letter from Mr. Roberts stating that the hazard had been removed. That is just one illustration in point of the work that this inspection bureau does. I am very glad to get this paper. I shall read it with a great deal of interest again when it appears in the Proceedings, and I hope all of you

gentlemen will do the same thing. Is there any discussion that you care to make upon this paper? If there is none, we will take up the next paper on the program, which is "Insurable Interest," by T. H. Williams.

Mr. Williams—The subject matter, "Insurable Interest," has grown with the work, and while I have made the paper as terse as possible, it is incomplete, in that I do not state my authorities, or make points therein, as lucid as I would wish and be within the time allotted me at your meeting. I give you, however, what to me is clear and concise.

Insurable Interest.

T. H. Williams,

Genl. Adjuster German-American and Phoenix of Hartford Ins. Cos.

The object and intent of the fire insurance contract is to indemnify against or for actual loss under the policy occasioned by fire to the interest of the insured, but it does not cover speculative interest nor problematical losses. The claim must be for the actual loss in money value, and no more.

All authorities agree that the contract is one of indemnity simply; that it appertains only to the person or party named in the policy and not to the thing insured; that it is not a contract running with the property, real or chattel, nor forming a subject of the insurance; that it is a personal contract; that it is an important requisite that the interest to be insured must be a legal and valid one, made according to law and which can be enforced; that it must be a clear, substantially vested pecuniary interest and not a mere expectancy without any vested right.

The clause in reference to the interest of the insured in the policy contract, California standard form, reads as follows:

"The company will not be liable beyond the actual cash value of the interest of the insured in the property at the time of loss or damage."

This clause is very clear and explicit and it should eliminate from your mind that the property is insured. It is simply the cash interest of the insured in the property. All fire insurance contracts contain a clause similar to the one just read. I quote the California form because it is more clearly expressed.

There are many classes of interest which are insurable, as you will see from the following:

Any one who is charged with the protection of the property, or has a right to protect it, or will receive a benefit from its continued existence:

Administrators,
Bailee,
Builder under contract,
Common carriers,
Commission merchant,
Consignor,
Consignee,
Contractor,
Creditor,
Executors,
Factor,
Grantor,
Hirer,
Endorser,
Husband in wife's property,
Husband in homestead,
Lessee,
Lessor,
Mortgagee,
Mortgagor,
One having a lien for advances or otherwise,
One having a claim in the nature of a lien,
One having an equitable lien with possession,
One having an equitable interest,
One having possession under claim of title,
Part owner responsible for whole,
Pledgee,
Pledgor,
Stockholder,
Surety,
Tenant in common,
Trustee,
Vendee in possession,
Vendor before delivery or completion of sale,
Warehouse men.

The interest of the assured, however, must be stated in all cases in the policy.

As most of the above are well understood I will deal only with those which appear to be in dispute.

Installment Lease.—Pianos and furniture are sold under what is known as an installment plan lease. The title remains in the name of the seller and the purchaser has no title until the last payment is made. He has no right to sell the property, and therefore his only interest is the amount he has paid on the lease.

In order to cover both the interest of the seller and purchaser the policy should be made in both names.

Installment Plan.—Pianos and furniture purchased on the installment plan, or on an open book account, the purchaser has the right to insure for full value in his own name, and to recover such value, but it is better to make the policy payable to the seller.

Real Property Purchased Under Contract.—The policy should recite that property is sold under contract and policy made in the names of all parties in interest; loss, if any, payable to seller or original owner of property.

Mortgagee.—A very interesting case was recently decided by the supreme court relative to the interest of a mortgagee. A policy was issued to the owner, with loss, if any, payable to the mortgagee, using the New York standard mortgage clause. The mortgage was foreclosed by the mortgagee and he was given a sheriff's deed. The insurance policy was not assigned to the mortgagee. The property was destroyed by fire and the mortgagee, now owner in fee simple, made claim against the company. The court held that he could not recover under the policy, as his interest in the policy was payee-mortgagee only, and that the title to the property had been changed from the insured named in the policy.

Property Held on Storage or Repair. — When liability is assumed by an insurance company for property held on storage or for repair it should be for a specific amount, otherwise the largest claim for damage is very apt to be on this item, and as fictitious values are nearly always given, a controversy is sure to arise. This is particularly true of jewelry stocks, laundries, tailor shops, and too much caution cannot be exercised by the companies.

The policy contract provides that the company is not liable for property held on storage or repair, because it is not an insurable interest.

Rents.—The owner of the building or the lessee has an insurable interest in the revenue from the property. The company is liable for the rents during the period it would take to repair the building. It would seem that a company would have the right to deduct the cost of collecting the rents

and other expenses, but the courts have held that our form is a valued policy and that no deductions can be made.

Tenant's Improvements.—The improvement made by a tenant usually consists of wall and ceiling decorations, floor, store fronts and balconies. They are attached to the building and cannot be removed without injury to the building. Improvements that can be removed are fixtures. There is no more troublesome item than this to adjust, and in many cases it is paid for by the company insuring the building and also by the company covering the contents. If the same adjuster had both building and contents there would be little chance of double payment.

Improvements made by a tenant belong to the owner of the building, and therefore the interest of the tenant is the use of such improvements only. The value to the tenant becomes less each year.

To determine the loss, ascertain when improvements were made and how long the lease has to run, and then apportion the value for each year. For example: If the improvements cost $500 and were made January 1, 1909, and the lease expires January 1, 1914, if a damage occurs January 1, 1910, the loss would be as follows: four-fifths of $500, or $400.

Tenant's improvements should be insured specifically, if at all, and the risk should be carefully inspected by a special agent before it is finally passed.

Life Interest. — A policy covering the life interest of the insured is intended to and does guarantee to protect the income from the property insured to an amount not exceeding that named in the contract. It does not contemplate rebuilding or replacing, or in fact, anything other than the loss of income to the insured, or for rent which might have to be paid during the life of the insured.

Griswold defines a tenant for life, or a life interest, as follows: "Tenant for life has a freehold interest in lands, the duration of which is confined to the life of some person or persons, or the happening or not happening of some uncertain event. Such interest is insurable and its value in case of loss is to be estimated by the ordinary life tables."

To make it more clear, we will assume a policy was written for $5,000, covering the life interest of the insured in a two-story building. A loss occurs and the building is completely destroyed. The value of the building is ascertained to be $7,500. The income at the time of the fire is $35 per month. The insured is fifty years old, and according to the life tables would live twenty years more. The income for twenty years would be $8,400. Taking that amount as our basis, the loss would be as follows:

Income for 20 years ($35 x 12 x 20)	$8,400
Less probable repairs, vacancy, taxes and other expenses	2,800
Insured's actual loss	$5,600
Less 2 per cent discount for cash ($5,600 x .02 x 20)	2,240
Net loss	$3,360

The 2 per cent discount is equal to 5 per cent interest, and is figured annually for twenty years, deductions being made each year. Taking the $3,600 at 5 per cent interest, and deducting each year the net income will pay the insured the amount he would have received from the property, and at the end of twenty years the principal and interest are exhausted. This is all the insured can rightly claim, as he could not possibly receive more from the property, and therefore this is the value of his interest in the building at the time the loss occurs.

A life interest does not allow the insured to sell or dispose of the property in any way. Therefore, the only interest the insured has is the revenue receivable from the property during life.

Leasehold.—There are several kinds of leasehold interests, but I shall deal more particularly with the one which gives all improvements to the land owner at the expiration of the lease. It has been made clear that we must first determine what the cash value of the interest of the insured in the property is. At the expiration of the lease the buildings belong to the land owner. Therefore, the insured has no right of conveyance, nor can he dispose of the buildings in any way, and the only interest he can have in the property is the revenue from it.

You will note that a life interest and this class of leasehold interest are very similar, the only difference being that in the leasehold interest we have a definite and undisputable date when all interest of the insured ceases, and in the life interest the time when the interest of the insured ceases is found by life mortality table.

All leases recite that if the monthly rental is not paid for sixty days the lease is terminated. Also, if a fire occurs and renders the building untenantable the lease is void. It is then clear that the only loss to the insured is his interest in the revenue from the building for the unexpired term of the lease. For example: A policy is issued for $2,000 on a two-story building, it being understood that the building stands on leased ground. A fire damages the building $1,500, or completely destroys it. The building cost $3,000, and the lease had thirty-four months to run. The building is rented for $45 per month and the insured has to pay a monthly rental of $25 for the land. The proper method of figuring the loss would be to compute the

rental from the date of the fire to the expiration of the lease. Then deduct the rent of the land for the same period, taxes, insurance, vacancy, ordinary repairs and interest or discount. For example:

Income for 34 months at $45 per month		$1,530
Deduct for rent of land for same period (34 x $25.00)	$850	
Deduct for taxes and insurance	120	
Deduct for ordinary repairs	50	1,020
Actual loss to insured		510
Deduct interest for 34 months		30.60
Net loss of insured		$479.40

The damage to the building does not enter into the loss until it is less than the net income or loss to the insured. No lease requires the assured to repair the building if a fire has rendered it untenantable, for the lease is then and there at an end. If repairs were made it would have to be with the consent of the land owner.

A settlement on the above basis is fair and equitable to all concerned. It would not be just from an insurance standpoint to consider the loss to be the damage to the building because the building does not belong to the insured. His interest is simply the revenue obtainable from the insured property and the actual loss to him is his loss of income from the property and that is the measure of damage.

If it were possible for the insured to sell the building then his interest would be the value of the building, less about 75 per cent, as a building is not worth over 25 per cent of its cost if it is to be moved, and this should be added to the net revenue from the building from the date of fire to the expiration of the lease.

These risks are very undesirable even under the most favorable conditions, i. e., a very long lease, and therefore a definite mode of settlement should be agreed upon. I understand some companies have paid the value of the building when the lease had but one year to run. This is a most excellent settlement for the insured, but it is a bad and dangerous precedent to establish.

The interest of the insured seems to be the subject of more controversy than any other clause in the policy, and the courts nearly always rule that it is a question for the jury, and yet it should have but one interpretation. The insurance company does not cover more than the actual cash interest of the insured, whatever that may be, and such interest must be plain and capable of proof, or he has no interest whatever. Some adjusters seem to lose sight of the fact that when a company issues a policy to Smith & Brown

on their building that they are not insuring either Smith or Brown separately, but as a whole, as one person. Now, if either Smith or Brown took out insurance on their undivided interest for the benefit of themselves and not for each other this policy cannot be constructed as concurrent with the policy covering Smith & Brown. The policy covering the specific interest of either cannot be brought into contribution until the policy covering Smith & Brown jointly has been exhausted, as neither Smith nor Brown suffer any individual loss unless the joint insurance is not equal to the loss. For example: Company A issues a policy for $10,000 covering the building of Smith & Brown. Company B issued a policy on the same building to Brown on his individual interest. Damage to the building is $12,000. Company A will pay a total loss. Company B would determine what interest Brown had in the building and it would pay the proportion Brown lost of the $2,000. In other words, if Brown was half owner his individual loss would be $1,000, which Company B would be liable for. Of course Company A would like to have Company B contribute to the entire loss, but we cannot get away from the fact that the interest covered by Company B has suffered no loss until after it has been determined that the joint policy would not cover the loss.

This question has come up several times lately and it should be definitely understood by all adjusters that the insurance is on the interest of the insured and that the loss must also be on that interest.

The President—I regard this paper as one of unusual value, and I would like to hear some discussion on it. Mr. Williams has taken a great deal of pains in writing this paper; he has had a wide experience, and it is one of such value that, personally, if I cannot get it any other way I am going to have it typewritten, and it is going into my grip. I regard it as of great value to our Association, and particularly it is of great value to the local agent. I would like to see every local agent have a copy of that paper. I don't know how it can be brought about, but if any of you gentlemen can make any suggestion I would like to hear it. I would also like to hear some discussion on the paper. It takes up a great many important points.

Mr. Fuller—I think this is one of the best reference papers I have heard read before this Association. It is a paper that we all should have for reference, as it would save us a great deal of trouble whenever any of those questions arise. It is a valuable

paper not only for the local agent, but the special agent and the manager. I move that Mr. Williams' paper be referred to the executive committee, with the recommendation that it be printed in pamphlet form.

Motion seconded and unanimously carried.

Mr. Brown—There are one or two matters in connection with this paper that I would like to ask Mr. Williams about. Mr. Williams stated that where pianos or furniture were bought on the installment plan, they could be insured for the full value, not the value that the owner had put into them, but for the full value and the loss to be collected in accordance therewith. We have had occasion two or three times in the last year or two to adjust losses where pianos have been bought on the installment plan—where, for instance, the insured has purchased a piano for $500, and has paid $150 or $200 on account. Generally those contracts that the piano companies issue require that the insured shall maintain insurance to the value of the piano, and shall be responsible to the piano company for that value; but our attorneys advise us that that clause has no weight; that the insured is not responsible for the piano and that the only interest that the insured has in the piano is the amount of money that he has actually paid on account. That being so, it is very different from what Mr. Williams stated, and I would like very much to have him discuss that.

Mr. Williams—You perhaps do not recollect that I made a distinction there. I spoke of two different classes of lease—the installment plan lease, where furniture is bought on the installment plan, and under that form of lease the title to the property remains in the name of the seller until the last payment is made. The only interest the insured has in that property is the amount of money that he has paid on it. That bears out exactly what I said. When furniture is bought on an open book account, they do not enter into a contract whereby the title of the property remains in the name of the seller, but the property has been delivered, they are in possession of it, and the courts hold that they must pay the seller for the full amount of that property; they can recover from the insurance company the full amount, because they are in posses-

sion and they are under no obligation to return the property to the seller, for the title is in them as soon as they receive possession.

Mr. Brown—There is another point I will bring up, that I have been wrestling with myself for some little time. It is a very peculiar case. A well known man in Oakland has recently leased a building there. He is remodeling the building for his own purpose, and one of the conditions in the lease is that if the building is partially destroyed by fire during the time of his leasehold interest, the owners of the building must repair it, but if the building is totally destroyed by fire, he has no recourse against them and cannot require the owners to put up the building again. He is expending in the neighborhood of $50,000, mainly in the walls and roof of the building; he has taken off the roof and has put on another story. He has made a great many changes throughout the building in the way of remodeling it. He claims that he has an insurable interest to the extent of this $50,000, and desires a form of policy which will cover him to that extent. As I say, I have been wrestling with it for some time, and now I would like Mr. Williams to wrestle with it.

Mr. Williams—It would not properly come under the head of a lease at all. If the matter was passed up to me, I would think that it would come under the head of tenants' improvements. He certainly has an insurable interest, and I would consider it just the same as wall or ceiling decorations, remodeling the store front or anything of that kind. He cannot insure it under the lease; it would simply be tenant's improvement, and the value is reduced each year.

Mr. Brown—You will appreciate that he can only recover in case of a total loss of the building; he cannot recover from the insurance company for partial damage, because then the owners must put the property back; if totally destroyed, he has no recourse against the owners.

Mr. Williams—All of his interest expires at the termination of the lease. If the building is damaged partially, the owner is to repair it. It shows absolutely that the title to the property is in the owner of the building.

Mr. Brown—Then you would take the position that if this lease is for twenty years and the property is destroyed at the end of five years, that he can recover from the company only three-fourths of the amount of his expenditures in the building.

Mr. Williams—Yes, so much for each year, divided equally for each year. That is the position that I would take in the matter.

Mr. Sexton—We adjust the loss after the loss occurs, but the proper time to adjust it is when the policy is written. Col. Kinne told me that when I was a boy. This paper is well written, and Mr. Williams must have spent six or seven years writing it. He has boiled it down, and I suggest that it be sent back to Mr. Williams to be edited and indexed, and if any member finds that there is anything in it that he wants to inquire about, he can drop a line to Mr. Williams, and that will give him an opportunity to answer some of the questions that many of us in the room want to ask about.

The President—Mr. Sexton's suggestions are very good, indeed. If there is no further discussion on this paper, we will take up the next and last one for this morning, "Salvaging Merchandise Damages by Fire, Water and Smoke," by Mr. David Isaacs. Before this paper is started, I would like to say that the paper in the afternoon, "Fire," by William H. Merrill, who is the president of the National Fire Protection Association, will be the only paper this afternoon. We will probably convene early in the afternoon, so that we can get through in order to go to the banquet. I would like to have as many of you here as possible this afternoon. It is a very important paper. I have been trying for a long time to get Mr. Merrill out here. He is the guest of the Association, and will have something to say to us that I think you will all enjoy. The Secretary will now read Mr. Isaacs's paper.

Salvaging Merchandise Damaged by Fire, Water and Smoke.

David Isaacs,

Proprietor and Manager Coast F. & M. Salvage Co., San Francisco, Cal.

In writing a paper to be read at the Fire Underwriters' Association's annual meeting on the subject of salvaging of merchandise damaged by fire, water, and smoke, I find it impossible not to appear more or less personal. This, I regret, but my zeal for proper results is my excuse.

The effective and conscientious salvaging of damaged merchandise from injury by fire, marine wrecks, railroad wrecks, and other causes on the Pacific Coast, was a venture. First, it was necessary to educate the public that the salvaging of merchandise is a legitimate business, based on fair values, as is the conduct of all honorable mercantile pursuits, then create a market for the damaged commodities, and both these factors are being realized.

From a fire standpoint, in the Middle West and East a salvage company has become a strong factor in loss adjustments. There the adjuster is not placed at the whim or fancy of a grasping claimant. The advantages of a salvage company by adjusters for insurance companies, is now being recognized on the Pacific Coast, especially when confronted with unjust or exorbitant claims on partially damaged merchandise.

LARGE PERCENTAGE CLAIMS.

I do not wish to infer that claimants are in the main dishonest. I know they are not, but I do know that the insured, as a usual thing, has not the knowledge, inclination or facilities to handle and save, or the market to dispose of the damaged merchandise. This is particularly the case in a small town or city. Many times an adjuster is confronted with a large percentage claim on slightly damaged goods, with an unreasonable demand on the balance of stock on account of fire in an adjoining store. Many times jobbers and wholesalers demand total loss on merchandise on account of the packages showing fire, water or smoke damage, when the contents of these packages are absolutely perfect, yet at the same time unmerchantable from a jobber's or wholesaler's point of view. Merchandise of this character usually shows a large percentage of salvage on renovation.

Every adjuster, at times, has heard the cry, "I am a ruined man, my stock is ruined. I had a fine stock. My customers and everybody knows I had a fire. My goods will have to be sacrificed at ten or fifteen cents on the dollar, and you know it costs me more than that to do business." Usually this class of claimants construe a fire insurance contract as a profit-bearing document and not as a guarantee of indemnity.

Under a fire insurance contract the companies have the option to take all or any part of the property at its ascertained or appraised value. I might say, as a rule, selecting appraisers is very difficult, if not almost impossible, to select the two competent and disinterested appraisers and umpire, especially from a small or medium sized community, where Jones, Smith and Brown have known one another as neighbors or competitors for many years, and receive therefrom a fair award of damage. At least, experience of insurance companies has shown the fallacy of this method of appraisal. Again, the insured through ignorance or wilfullness often makes claim for damages to merchandise saved that is unreasonable or an award has been rendered by appraisers decidedly biased, or there are times when the exigency of the loss shows the adjuster that an appraisal at that time would be injudicious. A salvage company is of much benefit in cases of this nature.

TRADE DISCOUNTS AND TERM REBATES.

In all claims under the California Standard Form the adjuster must demand and receive from the insured a statement of the sound value and the loss and damage thereon. This establishes the liability of the contract. The salvage company stands back of the adjuster, as a financial and moral support. The salvage company will either purchase outright, advancing the sum necessary between the invoice cost and damage, or guarantee a percentage, and handle for account of insurance companies, or for whom it may concern. The adjuster handling a loss where there is a possibility of wrecking the salvage, should insist that the actual cash sound value be ascertained; that cash and trade discounts and proper deductions for depreciations be taken into account. These are the prime essentials for a salvage company to go upon. I further wish to state for the benefit of those adjusters who have not had much experience in settlement of merchandise losses, that there are a large number of commodities which take trade discounts that do not usually appear on the invoice, and these discounts are what the trade knows as "term rebates," being a contract by the insured, to receive and dispose of a certain quantity of goods for which, at stated terms or periods, the insured is to receive a bonus varying from seven to twenty per cent. These special contracts are usually sought by the manufacturer, through trade channels, to augment the sales of their particular output, and inducements are held out to jobber, wholesaler and retailer for enforced activity and publicity in lines of manufacturer's individual products.

If a salvage company buys outright, it takes the chance of making a profit. If the contract is on a percentage basis of gross amount realized

from sales, the salvage company pays its traveling expense, the cost of handling, renovation, clerk and labor hire, rents, advertising and selling expense, and the insurance companies pay the freight, cartage and betterments. By betterments, is meant necessary new material and the labor required thereon to put in salable condition, all of which is deducted from the salvage. An accounting in detail and a check to balance is rendered the adjuster, showing the entire transaction, at close of sale.

No matter what the result of the transaction under the percentage basis contract, the insurance companies are at no time called upon to contribute should a deficit be shown.

To illustrate: Take a stock handled by the salvage company for account of fire insurance companies with a resulting deficit:

Sound value of merchandise	$20,000
Insurance on merchandise	15,000
Appraised damage to merchandise	12,000
Salvage company advances cash	8,000
Gross sales	12,000
Total expense	4,500
Deficit	500

This deficit is made good by the salvage company.

WHAT HAS BEEN DONE.

As to what has been done in the past year for the account of fire insurance companies, the following is given as illustrations. In a recent loss, a claim for seventy-five per cent damage on invoice was demanded. The advice of the salvage company being sought a guarantee of seventy-five per cent was proffered. This claim was settled by the adjusters at the twenty-five per cent loss. Another claimant, on a $3,000 invoiced stock, could not see a value to exceed $450 on damaged merchandise when treating with adjusters. Said stock was handled by the salvage company on the twenty per cent basis and a net return of $1,960, or over sixty-five per cent on value rendered to fire insurance companies and the said claimant, after the renovation of stock, purchased $588 worth of his own merchandise, upon which his original valuation was $450, on all the $3,000 damaged stock. A large stock of staples on which a claim of seventy-five per cent on one grade and fifty per cent on another, was made by insured; which, upon renovation and sale brought ninety-two and a half per cent on invoice. On claims of total loss merchandise the salvage company has realized net to insurance companies $50,843. On appraisal awards on damaged merchandise of $16,818, a guarantee of $20,500 was given and the

merchandise handled by the salvage company, the net returns therefrom to insurance companies were $37,111, or a saving of $20,293. On all the transactions of this nature the salvage company has shown a saving of $71,136. On unjust claims in the sum of $48,625, involving $76,000 worth of merchandise with $61,000 insurance, the adjusters, with the salvage company back of them ready to take the merchandise, were able to effect settlements for $20,713, thereby saving $27,912.

The salvage company's aim is to protect and preserve everything of value and not allow anything to go to waste. All progressive fire insurance men and all men who give thought to economical subjects, realize that anything of a commercial value being destroyed by fire or otherwise, is that much wealth lost to the community at large.

Many years ago, during my apprenticeship, I came much in contact with one of the ablest merchandise men I ever knew, and I take pleasure in quoting one of his apt sayings. A badly damaged stock of merchandise was being wrecked and the adjuster noticing a bolt of cloth, burned at both ends, said, "You are not going to ship and pay freight on that, are you?" The answer was, "If I can't get enough out of it to make a coat, maybe I can get a pair of pants, or a vest, or we use it for caps, and by Jiminy if we don't do that we will cover buttons with it. Everything is something worth; ship it along."

From my earliest boyhood I have made merchandise my life study, its texture, the cutting, the assembling of garments, the buying and selling. I have tried to embrace merchandise in all its forms, and I desire to express my thanks to those who are turning my venture into a reality, so that my home may be long on the Pacific Coast.

The President—Mr. Isaacs has given us a very interesting paper, quite new to me, and I am unable to offer any suggestion. If any of you gentlemen care to discuss the matter I would be very glad to have you do so.

Mr. Sexton—Mr. Isaacs came to the coast about two years ago to establish a salvage wrecking company, after the style of the salvage companies in the East. The adjusters in San Francisco advised against the organization of such a company at that time, they believing in the old method of the adjuster putting on jumper, overalls and overshoes and assisting and directing the claimant to separate the damaged and undamaged property, putting it in order, assuring him that all expense of help, his own men or outsiders paid by him, would become a part of the loss and be paid tc

him, if the loss and expense did not exceed the amount of the insurance.

That Mr. Isaacs, like other insurance experts in the merchandise line, could be employed to the advantage of the companies as an expert adviser, but not as appraiser; and that when the adjuster and the insured failed to agree on the loss, and the award of the appraisers was excessive, he, Mr. Isaacs, could save money for the companies by taking the stock, guaranteeing the appraised value, that the companies could not lose any money, and selling same on joint account.

This method of getting at a loss gives three chances: first, the chance of agreeing with the claimant on the amount of the loss; second, the chance of getting a fair deal on the appraisement, and third, Mr. Isaacs taking all or any portion of the stock at the appraised value, guaranteeing that amount, then conditioning and selling same at his renovating establishment on Market street for joint account.

This method has saved money for the companies and I am pleased with the addition of Mr. Isaacs to our experts on merchandise damage and loss.

The Secretary—I have had considerable experience with Mr. Isaacs in this matter of renovating and selling goods on commission. I have found it to work excellently. There have been several cases where it was impossible for me to agree with the insured on a fair basis of the damage, without Mr. Isaacs on the ground to back me up. He is a thorough merchandise man and understands the business. I have been able to make fair settlements in that way that would be impossible otherwise. I consider he is doing excellent work for every adjuster and company on this coast.

The President—Have any of you gentlemen from the Northwest anything to say? If there is no further discussion on this paper I will entertain a motion to adjourn until this afternoon.

Mr. Gunn—It is several minutes yet before noon. The matter that I am about to bring up may be entirely out of order, and if so, I am prepared to be sat upon. The thought has occurred to

me that each year we meet here there is something said about the time of holding the annual meeting. If the slate goes through this afternoon, I will find myself on the executive committee for the incoming year, and I don't want to buck up against this proposition in that committee. This year we find that five or six of the larger offices have left their special agents at home, because, on account of the work consequent upon the closing up of the past year's business, they have no time to give them any attention. When I first came here, some ten or twelve years ago, the meetings were held in February, and at each session the hall was well filled with managers and other executive officers, and we had the benefit of their experience in the discussions. Altogether the meetings were very enjoyable and educational. We now have but a few of the older men who will fight their way up to our meetings. The others have not the time to come here. They have no time to give to the Association. Another thing, this is the time of bad weather here, and most of those from the North would be glad of a change for a short time in the winter. If it is possible to get some expression from this Association as to whether or not a change in the date of the annual meeting would be entertained, I am quite sure the executive committee would be glad to have that feeling expressed. I simply bring this up and leave it with the Association, if it cares to do anything about it.

Mr. Fuller—What time do you suggest?

Mr. Gunn—I don't know, but I would prefer sometime before the grain season commences in California.

Mr. Sexton—I think that about the first of August would be a good time for our annual meeting, then the people could come in from Seattle, Spokane, Imperial, Tucson, and other warm places, and enjoy the cool summer weather in San Francisco, bringing along their overcoats and woolen clothes. If you change the date of the meeting, I suggest that you change it to August.

The President—At the time that this was changed before, my recollection of it is that a circular was sent to all the members, giving them an opportunity to express themselves at that time.

If there seems to be a desire for a change in the date of the meeting I think it might come up in the form of a committee who might take the matter up to learn the desires of the members. Of course, the majority is what we have to contend with.

Mr. Fuller --This question comes up periodically. I am not in favor of changing the time. There are a number of special agents who come home for the holidays, and I think a strong argument in favor of having the meeting at this time is that those special agents can be here during the holidays, and after the meeting go back to their work without causing extra expense to their companies. I think the meeting as now arranged will probably suit the greater number of the members, but this could be determined by sending out a circular, as was done before, if it is thought advisable to do so.

The President — Mr. Gunn, you might, this afternoon, put your suggestion to the meeting, in some concrete form, under the head of unfinished business.

Mr. Gunn —Answering Mr. Fuller, it is my recollection that when we changed the date of the meeting before, it was largely on account of the great number of California young men who went North as special agents. Most of them were young unmarried men when they went North, but they married bunch-grass girls, and now they like to spend their holidays at home with their mothers-in-law, instead of coming down here to visit their fathers and mothers. Anyway, the situation is that they do not now get down here to our meetings. All "said and done," this is the special agents' holiday. A man who lives up in that northern country likes to get away from the rainy season and drop down here and get a piece of sunshine; that's why we liked to come down here in February. The weather here at this time of year is just about the same as it is in Seattle and Portland.

Mr. Sexton — I feared that something like this might go through. We passed a resolution yesterday fixing a proposition to go into effect on the first of next January. I think we had better change that now to the next regular meeting, for fear that there might come a regular meeting in July.

Mr. Williams — Mr. President, I move that you appoint a committee to report at the afternoon session upon this matter. We will endeavor to have as many as possible here, so that we may reach some decision. Please don't put me on the committee, because I have other things to do.

The President —Do I hear any second to that?

Mr. Thornton—I think the committee should take a straw vote—give each member a slip of paper and let him vote on it the date of the meeting; just take a straw vote, and then if there are a sufficient number of votes to warrant, the executive committee may take it up for final action and give all of the members an opportunity to vote to change the date of the annual meeting. We can take a straw vote in a very few minutes this afternoon and see whether it is worth while to go any further in the matter.

Mr. Gunn —And then the executive committee can recommend a date. I do not think that this is going through, but if it should, then the executive committee will likely arrive at a compromise fairly satisfactory to all.

The President — There was no second to Mr. Williams' or Mr. Thornton's motion.

Mr. Gunn — I will second Mr. Thornton's motion.

The President —It is moved and seconded that a committee be appointed to take a straw vote on the date of the annual meeting, as the members come in, this afternoon session.

Motion carried.

The President — I will appoint Mr. Gunn, Mr. Sexton and Mr. Thornton on the committee. We will now adjourn until 2 o'clock this afternoon. Please be here promptly at that time.

Afternoon Session.

The President — We will take up a little matter out of the regular order of business and dispose of it as quickly as possible— that is the suggestion made by Mr. Gunn this morning to change the date of the meeting. You have received slips, and I will ask Mr. Gunn to make a little explanation. This is a straw vote—pass through it as quickly as possible.

Mr. Gunn — Gentlemen, I wish to explain that I am not begging for a change of the date of the meeting, although I am in favor of it, but this question is put up every year to the executive committee, and we do not want to be burdened with it this year. If it is the desire of the majority of the members that the date of the meeting be changed to some other day, to be decided upon by the executive committee, then let us know it. If you think that this season of the year is not a propitious time to hold the annual meeting, let us know it. Say yes or no, and then the executive committee will know what to do if the question comes up in the near future. That is the only explanation I can make.

Mr. Kinne—The idea is to change the date of the meeting to some other time. If we want to do that we will vote "yes."

Mr. Gunn—Yes. If the members wish the date of the meeting changed to some other date, to be decided by the executive committee, then vote "yes." If you do not want to change the date of the meeting from its present date, vote "no."

The President — If everyone has voted who wishes, the committee will count the ballots. I will declare the polls closed.

Mr. Gunn—We have counted the ballots and find the vote to be as follows: yes, 29; no, 41.

The President—There is nothing further to be done about it.

Mr. Gunn — No.

The President—The date of the meeting will remain as it is at the present time, according to that vote. In preparing material for this meeting I was very anxious to secure an officer of the National Fire Protection Association, and I took the matter up with the secretary more than a year ago, even before I became president. I started it going and took the chances that I might possibly become president. I succeeded in securing a gentleman to come out here to speak to us, who has a national reputation, and perhaps it extends farther than the confines of our country, owing to the splendid work that he has done for the reduction of fire waste and the preservation of human life. And I take a great deal of pleasure in introducing to you, Mr. William H. Merrill, president of the National Fire Protection Association, Chicago, Illinois, who will address us on the subject of "Fire."

"Fire."

Wm. H. Merrill,

President National Fire Protection Association, Chicago, Ill.

Fire has been called the most important element of the universe.

Without that great and constant conflagration, the sun, the surfaces of our own and other planets would change in form, and life—as we comprehend it—would cease.

The flame of the match, properly applied to fuel which is properly safeguarded, makes for light and heat and health and happiness, for industry and for progress, and all the material welfare which we enjoy.

The flame of the match or any other source of heat energy, improperly or carelessly or thoughtlessly or wantonly applied, often results in the destruction of property and in death.

The sun showers the blessings of its light and heat upon all portions of the earth, and many of us believe that none is more favored in this regard for the comfort of mankind than the zone in which lies America.

And if in America there is a section which in all seasons, and year after year, enjoys in greater degree than any other the benefits of equitable and constant service from the sun, that section is California.

And yet America leads the world in the destruction of life and property through loss by fire, and California has had the task of replacing created resources representing the largest values wiped out of existence at one time and place in the history of the world.

America's fire waste averages two hundred and fifty millions of dollars per year for the last five years, being a loss or about $30,000 for each hour.

The loss per capita in America is approximately eight times as great as the average per capita loss in European countries. We destroy more property by fire than do any four nations of Europe.

Each loss by fire is a drain upon the material resources of the country, irrecoverable through collection of insurance. For that which the individual destroys by fire, under insurance taxation, the nation must pay.

America's greatest contribution to the fire waste is, however, her men, her women and her children, burned alive as sacrifices to the ignorance, carelessness and greed of her citizens. Those who perished at the Iroquois Theatre at Chicago, on the steamer "General Slocum" at New York, in the hall at Boyertown, at the school in Collingswood, in the mine at Cherry, and more recently in lesser numbers at many other places, leave us the remembrance of their cries and the horrors which they suffered. These appeal to us much more strongly than the money loss, be it ever so large.

In his symbolic piece, "The Bluebird," which is playing in many languages in many theatres in many countries, Maeterlinck shows us two little children in search of happiness, accompanied by various animals and elements, among which are Fire and Water and Bread. Fire, as a hot-tempered gentleman, is continually interrupting the proceedings with ill-considered remarks. Water, as a lachrymose damsel, often threatens to put him out, but never quite succeeds. It remains for Bread, in the last scene of the last act, to properly characterize him. He says, "This is the trouble with fire; he was not properly raised." Coming from Bread, the remark is particularly pat. And what a fund of philosophy it contains! Fire, the servant of man, through man's carelessness, becomes his master. Fire, the child of man, brought into life at man's command, being left, through man's neglect, to pursue its own whims, immediately turns to evil ways and destroys man and his works.

How can we ever be expected to control ourselves if we cannot properly control so small a thing as the flame of a match? How may we be expected to do our full duty towards our neighbor when "I didn't know," or "I was careless," is sufficient plea to relieve us from responsibility in the matter of burning our neighbor's home.

An inquest after every fire, and laws penalizing carelessness resulting in fire losses, have been suggested, and these would be serviceable. They would do more than penalize—they would teach. They would instruct the man on the jury as well as the prisoner. And they would also instruct the

people generally who have been accustomed to extend sympathy rather than criticism towards the individual who permits his property to burn.

Instruction on fire hazards given to children at schools would tend to relieve the next generation of much of the shame attached to ours.

Fire marshal laws are well administered in many of the states.

Proper building laws and suitable ordinances governing explosives and combustibles are enforced in some of the cities.

Insurance companies are lending their aid in a united effort to reduce the fire waste and prevent conflagrations, for otherwise they cannot do a safe business at popular prices.

The Credit Men's Associations throughout the country are interesting themselves in the matter, realizing that a dependable insurance is necessary to a sound credit.

In several of the larger cities separate high pressure water systems for fire purposes have been installed and have proved successful.

In some cities fire departments are divorced from politics, well disciplined, and furnished with modern apparatus.

These and other efforts by certain of the constituted authorities, by a few private interests, and by some semi-public associations are worthy of emulation by others.

Preachers and politicians often emphasize the importance of bringing responsibility home to the individual, and while I do not wish to preach, and am nothing of a politician, it may be pertinent to inquire if each one of us is doing his share as an individual toward reduction of the fire waste. Do we permit the use of parlor matches in our homes? Do we employ safe and sane methods in our celebrations of the Fourth? Are we mindful of our property and the lives of our families in arranging Christmas decorations and displays? Are the cellars and closets of our houses kept cleared of accumulations of combustibles?

Have we studied the hazards of the heating and lighting systems in our own homes? And have we equipped our houses with proper fire appliances?

The force of a good example by all the insurance men of the country would have a tremendous potency for good, and would enable them to talk a little more forcefully to their neighbors about their duties in this matter

Collectively, insurance companies and agents are doing a great deal of real benefit—enormously more than any other single interest.

The National Board of Fire Underwriters has prepared a model building code, which it distributes freely to officers of all municipalities who can be interested. It employs expert fire protection engineers who visit all of the principal cities of the country and make extensive reports on conflagration conditions.

In Chicago it has built laboratories where tests are made and reports issued on various devices, materials, systems and appliances having a bearing on the fire hazard. This institution, the Underwriters' Laboratories, has erected and occupies what is generally believed to be the best model of fire-proof building construction in America, and up to the present time over 5,000 reports on various subjects and appliances coming before it have been promulgated. The findings of these reports are generally accepted by the authorities throughout the United States and Canada.

The laboratories have inaugurated a system of inspection at factories turning out fire appliances, and attach to the goods themselves their manifest of approval whereby the appliances best suited for use can be readily recognized wherever found. At the present time the laboratories are labeling at the rate of twenty million devices, materials and appliances per year.

This volume having been reached within the comparatively brief space of five years, proves that the public is quite ready to indicate its preference to receive something real for its money in this line, as in food products and medicine and milk.

The laboratories' labeling system is ideal in that the people who do the certifying have a financial interest, presumably equivalent to that of the purchaser, in the ability of the labeled article to properly perform its designed functions.

I will cite a few instances where a system of this kind would prove serviceable:

Seven years ago a man put ten cents worth of baking soda in a five-cent tin tube. He sold it for three dollars as a fire extinguisher to use in the stage chamber of the Iroquois Theatre in Chicago. At a Christmas pantomime this great chamber was hung with flimsy draperies representing fairyland. One of these draperies was ignited by a spark from an electric lamp representing a moon. The operator testified that the fire in its incipiency could have easily been extinguished by a small stream of water, but the unreal extinguisher being at hand, he waved it as directed, expecting the magic wand to be effective in such surroundings. Unfortunately, there was nothing "make-believe" about the fire, and the result was and always will be very real to the families and the friends of over six hundred women and children, whose lives were sacrificed that a man might make a profit of two dollars. I have not heard that the fakir was punished. One of his confreres offering the same line of goods recently received the endorsement of a leading official of a great state, who, in lessons he had prepared for the instruction of school children and until their limitations were called to his attention, recommended these appliances as suitable for general use.

Of course, there must be some talking point and an item of reality in connection with all such appliances. The so-called dry powder fire extinguisher will quickly and dramatically subdue a small quantity of gasoline burning in a cuspidor, and it will act similarly with certain other small fires in confined spaces. The point is, we do not have many gasoline fires in cuspidors; we cannot educate our fires to meet the limitations of the specialty extinguisher.

Certain brands of so-called rubber covered wire, conducting that subtle form of energy, electricity, through the concealed spaces of our houses are sold for about the price of the copper they contain. If any real rubber is used in their coverings the fact has escaped the observation of a number of enlightened investigators.

In fire hose, the arteries and veins of our fire departments, we find manufacturers making a monstrous mystery of their wares, analysis proving them rotten or unfit for use, and gossips busy with tales of scandal about the reasons why inferior hose is delivered when superior is supposed to be paid for from the public treasuries.

But the same degree of acumen which brings profit from unfair dealings is rewarded in larger measure if applied to legitimate trade, and fakes in the fire appliance line are going out of fashion. Beginning with an annual output of a few thousand certified fire appliances, we now have an annual volume of twenty million. Manufacturers and dealers, buyers and users, the constituted authorities and underwriters' boards, the financial interests, and departments of the national government are all lending their aid and earnest co-operation to this movement.

Real fire windows, real fire doors, and shutters, and various excellent forms of building materials are being installed; fire extinguishing appliances with their fittings and appurtenances are being constructed in accordance with recognized standards; electrical fittings of all kinds are being properly safeguarded, and the hazards of many gas and oil using devices are being reduced to a minimum.

Perhaps no single agency has had a greater influence in making for these improved conditions than the National Fire Protection Association, an organization unique, I believe, in listing ninety of the principal national institutes, societies, associations and insurance boards in America as active members. During the fifteen years of its existence, this Association has worked constantly for conservation of the created resources of America. It believes that the fire waste is of great importance as affecting the material welfare of the nation as a whole, and that it is of direct obligatory and pecuniary interest to each one having families to protect and property to preserve for his family's use.

An index to the printed records of this Association, issued last month, indicates several thousand items under the headings of fire protection and fire prevention, to which it has devoted its attention.

In the specifications coming under the jurisdiction of this Association, possibly the one best known is the National Electrical Code, which covers the safeguarding of electrical equipment, and which has been adopted as the law of more municipalities and the standard of a greater number of other organizations with authority than any other single set of engineering specifications in existence today.

Another publication covers rules for automatic sprinkler installations, outlining in detail the methods to be followed in equipping buildings with this most useful and successful extinguishing agent. Publications of a similar character, which have been distributed in editions of many thousands, and which are freely used by property owners, architects, insurance boards and others interested, include specifications for the construction and installation of fire doors and fire windows, fire shutters, electrical signaling systems affecting the fire hazard, valves and hydrants, hose, suggestion for organizing private fire departments, and various forms of building construction.

Specifications for safeguarding hazardous appliances and systems coming under the general head of Explosives and Combustibles have been issued, including films for moving picture machines, systems for storing fluids which at ordinary temperatures give off inflammable vapors, acetylene gas machines, gasoline vapor gas lighting machines, lamps and systems, engines and stoves, rules for waste cans, ash cans, refuse barrels, fire pails and safety cans for benzine and gasoline, storage and use of fuel oil, kerosene oil pressure systems, and also suggestion for protection against lightning.

From time to time circulars and copies for newspapers are issued on both the common and the periodical causes of fire, such as the hazards of Christmas decorations and displays, the menace of the match, the hazards of defective chimneys and flues, and also the proper season warning as to celebrations of the national holidays—particularly the Fourth of July.

I feel that many of your members would be interested to receive regularly the publications of the National Fire Protection Association, and to enjoy the other privileges of membership in that organization.

We feel that the fire waste is a national, not a sectional question. The East helps bear the losses of the West and the West those of the East. The burning of New York this year or next year would cause a greater calamity than did the burning of San Francisco, from which, with the aid of the nation, you have so wonderfully recovered.

The significance of the fire waste is apparent and the remedies are at hand. I recite no new truth and I prescribe no untried or sensational cures for the ills we all recognize. The evil and uncontrolled spirit of the flame has taken a greater toll of human life and is responsible for a greater destruction of property than all the wars of recent years. Therefore, let us defend ourselves, using practical methods of proven value. I submit the following:

Fire Inquests,
Instruction in the Public Schools,
Rigid Building Laws,
Explosives and Combustibles Safeguarded,

Departments of Public Safety divorced from politics and furnished with modern apparatus,
Enforce the National Electrical Code and Exclude the Parlor Match,
Fire Marshal Laws,
Eradicate Conflagration Conditions,
Never be careless of the dangers of fire, and do not permit those about you to be careless of the dangers of fire,
Separate high pressure water systems for fire services where conditions warrant,
Educate the public.

I wish this poor cryptogram were less simple, that it might be read more than once. I could wish it more sensational, that it might attract attention. But the greatest doctrine ever given to the world has gained nothing during nineteen hundred years by attempts to distort it, and in this matter the greatest amount of lasting benefit may perhaps come from stating the facts as we know them, and recommending as frequently as possible practical relief measures of established value.

The President—Mr. Merrill certainly has given us something to think about. I don't know how many of you are thoroughly familiar with what his Association has been doing. Many of you are, and perhaps many of you are not. If you are not I would suggest that when this paper is printed in the Proceedings, which it will be, that you take up that paper and give it serious thought and consideration—read it and study it and digest it. Go into all of the matters that Mr. Merrill has suggested in his paper and see if we cannot all of us do something more to bring about the same results that his Association is doing. We are attempting

out here on this Coast to do something along that line, under our publicity arrangement, in a very small way. We hope it will grow and that it will take up this matter of the conservation of created wealth, and the preservation of human life. We hope to do something along that line; in fact, I am quite enthusiastic over the matter myself, and I thank Mr. Merrill very much indeed for coming out here as our guest, and telling us something of which we knew very little until he did come. I would be very glad to have you make any remarks that you see fit, and I know that Mr. Merrill will be very glad to answer any questions that you may desire to ask. I would be very glad to hear from any of you.

Mr. Watt—I do not wish to comment upon the very able paper which has been read before us, or ask any questions. I have been a reader of Mr. Merrill's documents for several years. We owe Mr. Merrill a debt of gratitude for having presented this paper, and I believe we should tender him a vote of thanks and also honor him by election to honorary membership in our Association, and I so move.

Motion seconded and unanimously carried.

The President—It is a pleasure to welcome Mr. Merrill to honorary membership and I congratulate the Association on its action. I would like to make one more remark. A great many of the young special agents can well afford to belong to the National Fire Protection Association, and I would like to see a number of us members of it. The fee is very small, and they can well afford to pay it out of their own pockets and never have any reason to regret it. I have not talked to Mr. Merrill about it, but I believe that he would be very glad to receive any such subscriptions to his Association that might come in while he is with us on the Coast. Of course you can subscribe also through Mr. Porter, and I do not believe that you can do anything better, you young special agents, than to become a member of the National Fire Protection Association. If there is nothing more under this head, I will pass on to the next matter.

Mr. Gunn—Are all of the old special agents excluded from subscribing?

The President—I supposed that they had reached a time when they understood that that was the thing to do, and not to sit back and wait.

Mr. Folger—I am not willing, as an older member of the Association, to see a paper of that kind pass without even more comment than has been made. I did not have the pleasure of hearing the first portion of it, but the rest of it was fully equal to what we should expect from Mr. Merrill. I was particularly impressed with one remark at the very close, where he said that he wished the little acrostic could be somewhat more sensational. I think Mr. Merrill ought to keep in mind that this country has reached a point when that which is sensational may have a large circulation but it makes a very light impression. It is undoubtedly true that the newspapers which report a large circulation are somewhat sensational, but that they make a decided impression on the public, I will not admit. The papers which were read before this Association twenty-five years ago were earnest and honest papers, but they were not as strong in thought or as impressive as those we now get, and the very fact that we ask for and receive papers like Mr. Merrill's is evidence of what this Association wants, and what the community wants. A very careful and strong paper, like the one which has just been read, containing a very plain statement of hazards without any sensational matter, will have some weight with the public, whether it goes out through a committee on publicity or in some other way. Mr. Merrill ought to realize that the Pacific Coast—and I feel sure that the East already believes in the old-fashioned strong, slow and sure methods of doing things—will have nothing to do with the sensational.

The President—Next on our program is report of committees. I will call for the report of the committee having charge of the President's address, and the report of the Executive Committee.

REPORT OF THE COMMITTEE ON THE PRESIDENT'S ADDRESS AND ON THE REPORT OF THE EXECUTIVE COMMITTEE.

Your committee on the President's Address begs leave to report as follows:

LIBRARY.

We look with favor upon the recommendation that synopsis of subjects with lists of books in our library be printed and distributed at the discretion of the Executive Committee. Also that the door of the library be opened to architects, contractors, business men, and to all others who may apply in good faith for information bearing upon insurance subjects. This we feel would be a step in the direction of publicity, which question is so earnestly engaging the attention of other bodies, as well as our own Association, at the present time.

We earnestly concur in the suggestion that a new Index of the Proceedings be prepared, and we recommend that the Executive Committee take the matter in hand.

PUBLICITY.

We are in hearty accord with the recommendation pertaining to the question of Publicity and therefore advise the appointment of a committee of five, with power to appoint sub-commitees to assist in the important work of education. We bespeak the cheerful support of this movement from the entire membership of this Association, as we feel that it is an important step in the advancement of insurance interests and for the welfare of the public as well.

We look with favor upon the suggestion that extracts from the Inspection Bureau reports be prepared and placed on the tables of the Boards of Trades and Commercial clubs, but as this plan of education appears to us as properly belonging to the Publicity movement we recommend that it be referred to the proposed committee on Publicity.

REVIEWING COMMITTEE.

We are quite agreeable to the proposition of stimulating interest in the Association by the plan proposed of reviewing the papers read at each meeting by a reviewing committee which shall report conclusions to the Executive Committee for further action.

While your committee is not unmindful of the confidence imposed in it by the President in suggesting that the committee on President's address act as such reviewing committee, still in the interest of the success of the undertaking we must decline to serve.

Our reason for this decision is the necessity, as we believe, for a well laid plan of operation which to evolve will require more mature delibera-

tion than can be given the subject by a temporary committee. We, therefore, recommend the appointment of a special committee under this head, which committee shall, if possible, render its report to the Executive Committee in time for publication in the current annual Proceedings, or, failing so to do, submit report at the next annual meeting.

CO-OPERATION.

We heartily endorse the suggestion in the report of the Executive Committee that an effort be made to bring about co-operation among the organizations connected with the fire insurance business on the Pacific Coast; and we recommend that a special committee, of which the retiring President shall be chairman, be appointed to invite such co-operation. This committee feels that such co-operation is especially to be desired in the case of the Insurance Society of San Francisco, which includes the younger men in our offices, who are seeking educational advantages and who need the use of a good library.

FINANCE.

We recommend that the Executive Committee consider the relation of our income and expenditure in a broad way, by seeking to make such provision for the future as will avoid an annual deficit, and will at the same time allow us to make reasonable additions to the library every year, and to allow also a reasonable appropriation for the work of the proposed committee on Publicity.

IMPROVEMENTS.

Your committee believes that no stronger appeal to the younger portion of our membership to improve themselves and to take part in the practical work of the Association has been made in many years than that which is contained in the closing portion of the President's address. Every member who has written a paper for the Association in the past has gained far more through its preparation than he has given the Association; but we believe that even if a man writes a paper from a selfish motive, he will gain not only in training, but also in reputation, far more than the equivalent of the time spent upon the work. It has been suggested that diffidence on the part of the members who have not written papers in the past, may have prevented them from doing so, in the absence of an express invitation; and your committee recommends that the Association put itself on record as believing that no earnest and interested member who offers to prepare a paper upon a subject which he believes he can handle with credit, will do otherwise than pay a compliment to the President in offering such paper. We have no fear that this suggestion will result in any

larger number of such offers in the near future; but no member ought to feel that he is debarred from contributing the best work he is prepared to offer, in the absence of a formal invitation from a President, with whom he may not be acquainted. Without in the least detracting from the merit of papers written by experts or distinguished guests from the East, to which we are glad to listen from year to year, your committee believes that the greatest good to the greatest number in our membership can only be attained by constantly developing new material, and urging our younger members to take the places of those who have written papers frequently in past years and have become somewhat weary in well doing.

Respectfully submitted,

J. L. Fuller, Chairman,
Herbert Folger,
C. R. Harold,
H. P. Blanchard,
Chas. Van Valkenburg.

The President—Gentlemen, you have heard the report of this committee. What is your pleasure?

Mr. Sexton—I move its adoption.

Motion seconded and unanimously carried.

The President—I believe the committee on President's address backed me up in the publicity committee, and I will now ask the following gentlemen to serve on that committee: Mr. Washington Irving, Mr. Russell W. Osborn, Mr. A. W. Thornton, Mr. John W. Gunn, and Mr. Arthur M. Brown. I will ask the Secretary to notify these gentlemen that they have been appointed on this committee. Unfinished business appearing to be our next order of business, this morning Mr. Sexton suggested, and I believe that it was moved and carried, that a special committee be appointed on policy forms, riders and endorsements, and also a committee on daily reports. I will appoint on the first committee, Mr. Sexton, Mr. Kinne, Mr. Herbert Folger and Mr. Gilliland. This committee will act in conjunction with three brokers, the President of the Brokers' Association selecting two others to act with him, and the two committees will serve as a joint committee. The committee on standardizing the daily report, I will be glad to have the following gentlemen serve: Mr. Parrish, Mr. Fuller, Mr. Osborn,

Mr. Brooks and George W. Dornin. And I wish the Secretary would kindly notify these gentlemen that they have been appointed on these committees. We have now reached the point of election of officers. The first office to be filled is that of president.

Mr. Folger—As one of the four men appointed on the committee on policy forms, etc., just now, I might express my thanks publicly, that I am glad that the President lives in Portland. If he lived in San Francisco I could not attend to any other business. The report of the committee on nominations was prepared some weeks ago, and has been distributed, and we have no further duty to perform than to move the adoption of that report, and have the Secretary cast the ballot for the names which I am about to read. But it has occurred to the committee that it will interest you to know upon what basis these nominations are made. For many years it has been the custom for the Vice-President to succeed as President a year later. A year after his election, he is then called upon to preside at an annual meeting, so that upon the election to the Vice-Presidency a member is practically allowed two years time in which to secure material for a program.

There is nothing in the Constitution and By-Laws of this Association prescribing terms of eligibility for the position of Vice-President. However, there is an unwritten rule known to most of the older members, that the nomination should be given to a member who has written at least two papers to be read at these annual gatherings. Some believe that this is not a fair requirement; but it may be answered that the Association should have evidence that the right qualities will be given to its work in good measure by any one who is to succeed to the presidency. A man who has never written a paper, who has not been in the habit of serving on prominent committees, or who has done little or nothing in a definite way for the good of the Association might, if advanced to the highest position within our gift, very likely fall below the standard which has been maintained in the past. Not all of our Presidents could claim to be the brightest men in the business, nor have all of our brightest men written papers and become Presidents; but on the whole, the work of this Association and the best work in the fire insurance business at large, has been done by those who have

served us in some definite way and have prepared careful papers and accepted office, often at considerable self-sacrifice. When this committee reviewed the names of those who have written papers but have not been elected President, only two or three names proved to be available. This does not promise well for the future of an Association having more than 200 members. We are quite safe in saying that our older members derived much more benefit from the papers written by them than they gave to the Association. We appreciate the valuable contributions by experts and by distinguished visitors from the East, but these are not of the same direct value as papers prepared by our younger members. Without these we may fail to discover latent powers and gifts among us which are very badly needed; for there never was a time when it appeared to be as difficult as now to procure a sufficient number of men having force of character and unusual capacity to fill high positions. As the committee on the President's address has suggested, some of the younger members may have been diffident, or have hesitated to offer papers which they were not invited directly to prepare. It is always hard to secure enough material for a program, and we feel quite safe in urging any member to come forward who has something to say and who is willing to go to some trouble to say it as thoughtfully and well as he knows how to write. Any President will be glad to receive such an offer.

There is no impropriety in adding that it was the unanimous wish of our committee that the Secretary, Mr. Calvert Meade, should accept the nomination for Vice-President. History makes much of the fact that Jacob served for Rachel seven years; but our Secretary has been carrying this burden without complaint for fourteen years; and it was only because he could not see his way clear to accept the office that your committee pursued a different course.

In behalf of the committee I have the honor to offer the following nominations:

T. J. A. Tiedemann for President,
Guy Francis for Vice-President,
Calvert Meade for Secretary and Treasurer,
J. P. Moore for Assistant Secretary and Librarian.

Executive Committee : T. J. A. Tiedemann, Frank C. Staniford, R. W. Osborn, J. W. Gunn, William Sexton.

Mr. Folger—I move that the Secretary be instructed to cast the ballot for the Association for those gentlemen.

The President—The ballot is cast. and they are elected. That is all I can say.

Mr. Kinne—A motion was made that the Secretary cast the ballot. You did not state the motion.

The President—Why didn't you say so before ?

Mr. Kinne—I did not want to interrupt the proceedings. I did not want to make any break in the slate that has been prepared.

The President—At the last moment have I got to fall down in this way ?

Mr. Kinne—I suggest that you put the motion. I ask for the question. The motion was made that the Secretary cast the ballot.

The President—Then he is to blame.

Mr. Kinne—Question.

Mr. Sexton—I want to apologize to Colonel Kinne. The fact is that this is about the first time that anything like this has gone through slatewise and without any friction. I think the Colonel is just spoiling for a fight.

Mr. Kinne—I used to like to fight in my younger days, and I am still spoiling for a fight, but I wish to have this thing put on the records properly and finally, and I now ask the President again to put the motion.

The President—It is moved and seconded that the Secretary cast the ballot for the Association for the election of the officers as read by Mr. Folger.

Mr. Kinne—Question.

Motion unanimously carried.

The President—I think we are ready now to listen to the Knapsack.

CALIFORNIA KNAPSACK

1911

A. C. THORNTON
G. A. R. HEUER } - - - - - EDITORS

VOL. XXXV JANUARY 11, 1911 No. 1

Editors may come,
And editors may go,
But the "Knapsack" goes on forever.

For the past year the editors of this humble paper have overpaid the assured in loss adjustments, passed poor risks, and missed making good agency connections in their endeavor to think of jokes suitable for your edification. We feel the strain; our minds are distracted; and our fund of side splitting anecdotes is at a low ebb. Making jokes is a serious business. It requires as much thought as "dunning" a sole agency in a town possessed of a non-board situation. At times it was almost decided to yield to persuasion and read for your amusement the "Farm Tariff," but, after much thought, we felt that this would never do, as some future editor might put us to shame by reading a circular permitting a reduction in basis rate of a dwelling within 300 ft. of a hydrant on a 4-inch main, but not allowing it in the case of an adjoining private barn.

No, we must look elsewhere; consequently, with this idea in mind, we have searched from A to izzard, and back to said point of commencement, with the following results:

Extracts from an Insurance Journal Published in the Year 2011

INTERESTING CASE.

A case of unusual interest is occupying the attention of the Pacific Coast insurance men, and a decision from the supreme court is awaited with considerable interest.

The companies interested in loss of the Pacific Aeroplane Works decided, as usual, to apportion the same by means of the "Apportionator."

Owing to a break in the machine, specific insurance was made to contribute to general items, and a policy of $98,000 in the Petaluma Pile Drivers Insurance Company, and covering under general form, was made to pay upon a specific item only.

Inasmuch as the companies have an iron-clad agreement to abide by all apportionments made by the "Apportionator," it is not surprising that they are deeply interested in the outcome of the law suit.

This reminds one of the numerous disputes between Wm. Sexton, W. H. Lowden, A. W. Thornton, Calvert Meade, V. C. Driffield, et al, so frequently mentioned in Smith's History of Pacific Coast Insurance.

TERRIBLE ACCIDENT.

Last week a striking member of the Special Agents' Union connected the pipe line of the Associated Oil Co. with the Vacuum Tube Mail Carrier leading from the Protectors' Insurance Company to its Bakersfield Agency. When J. Smithikin Brown, general agent of the Protectors, opened the tube yesterday morning, he was instantly deluged by crude oil, which was ignited by his cigar. Brown was terribly burned.

IMPORTANT MEETING.

At a meeting of the Pacific Coast Local Agents' Association, held in Petaluma on the 27th of June, a number of new rules and regulations were unanimously adopted. It was decided by the agents to increase their commission to 65 percent on preferred business, and to extend the credit rule to six months. It was further decided to abolish all limits on postage, and to permit the fire insurance companies to have only one agency in each county. This rule takes effect July 1st, and the general agents and managers have been notified.

FIRE UNDERWRITERS' ASSOCIATION BANQUET.

The banquet of the Fire Underwriters' Association of the Pacific was well attended last night. Everyone enjoyed himself, and the pleasant evening will linger long in the minds of those who were present. It was noticed, however, that three managers and two special agents were present. While this Journal does not wish to appear selfish in its attitude, we cannot help feeling that the local agents should take some steps toward abolishing the practice of inviting outsiders.

In removing the foundation of the Merchants Exchange Building, which is being demolished to make room for a modern building, the workingmen discovered a copy of a pamphlet called the "California Knapsack,"

published in the year 1910, A. C. Thornton and G. A. R. Heuer were the editors. After carefully perusing same we have come to the conclusion that it purported to be humorous. It is difficult to believe in these modern times, that this alleged humor could have been appreciated by those hearing it read. The property was in an extremely bad state of decay and has been preserved among the archives of the State Historical Society.

Lyrics of the Growing Grain.

THE SPECIAL AGENT'S VIEW.

The season's with us once again,
  Thanks to the winter rain.
The crop is big, and all the boys
  Are out for Growing Grain.

I've planned and fussed and schemed and worked
  To write more than the rest,
But everybody's on the job,
  So I'll have to do my best.

The game is getting on my nerves,
  I wish that it was over,
The Special who doesn't "drive" at all
  Is living in high clover.

I've spent a week with agent Brown,
  My money for livery went,
The "Chief" has almost had a fit,
  We didn't write a cent.

There's nothing in this Growing Grain,
  You bet your life I'm peeved,
The man that said it was the thing
  Should ne'er have been believed.

Never again, say I, say I,
  Never again say I,
If Growing Grain I touch once more
  I hope that I may die.

THE AGENT'S VIEW.

Well, Grain time now has come again,
The Specials are on my track,
They pester me the whole day long,
They keep me on the rack.

I try to give them all their share,
They always want some more,
They first thing that you know
I'll be right good and sore.

There's nothing in it anyhow,
The commissions aren't enough.
They tell me that I'm getting rich,
But that is all a bluff.

They "dun" me for the premiums,
I don't see how I'll pay,
The farmer won't come through at all,
Until he's sold his hay.

I wish I'd never seen a risk,
You bet that's what I'm wishin',
For when they start to cancel
I dig up the return commission.

Never again, say I, say I,
Never again, say I,
If Growing Grain I touch once more
I hope that I may die.

THE FARMER'S VIEW.

Them agents has been after me
The gosh-hanged live-long day,
For to insure the Growing Grain
On my land acrost the way.

She'll make a good big twenty sacks,
But a feller named McMurty
Says that if I want him tew
He'll write me up for thirty.

This sure is a darned fine thing—
Can't lose, as I can see.
There's one young feller come alone
Wants to make an agent out of me.
But I almost have made up my mind
Tew dew business with McMurty,
'Cause if things starts agoing wrong
I kin figure on that "thirty."

THE MANAGER'S VIEW.

What is this? Another loss?
Oh soothe my seething brain,
We're stung for twenty thousand
On a crop of Growing Grain.

Cancel every blooming risk
Of that class, that's on our books,
I don't care what the agents think,
And I don't care how it looks.

Never again, say I, say I,
Never again say I,
If Growing Grain I touch once more
I hope that I may die.

L'ENVOI.

The season now has come and gone,
Gone are the hopes and dreams,
The Managers and Specials once more are hatching schemes,
They grumble at the sunshine, and with the farmer pray for rain,
For they and their local agents will campaign again for Grain.

G. A. R. HEUER.

Long years ago when Mr. H. M. Grant of Portland was connected with the "Lion" and Imperial office in this city, he visited Fresno to adjust a loss.

An examination showed that the assured had had a loss previously. So Mr. Grant blandly said, "I see you have already had a loss on this property; who adjusted it for you?" "Why," said the owner, "a man named Sexton, I think it was." "Oh, Uncle Bill Sexton, eh," said Grant. "Well, you had an honest man to deal with." "Oh, I don't know," was

the reply. "He came here all out of breath, because he said he wanted to catch the first train out; told me he would let me adjust the loss myself as he felt sure that, being a business man, I could do as well as he could, and then began asking questions and putting down figures, stopping now and again to ask about my children, and the household generally; at last he handed me a draft on his company and a receipt to sign; then, after a hearty hand shake, left to catch his train. Well, sir, that night when I figured the thing out quietly by myself, I found I hadn't made a cent. Yes, he's honest all right, you bet, too damned honest for me ! ! !

My Dreams.

Expurgated Edition.

Approved by the Censor Committees of the Board of Fire Underwriters, Underwriters' Association, Field Club, Tillicums and Fire Patrol.

1

At eventide when work of day is done
I sit me down in my great big arm chair
And let my mind, released from labor, run
Along my daily doings, free from care
And dream and dream and dream.

2

As thus I sat one night some time ago
And conjured up the faces of my friends,
I cast aside the very thought of foe,
Those faces formed beginnings and the ends
Of dreams and dreams, and dreams.

3

Down Leidesdorff street that night my mind did run,
I heard a voice from back of Mat Grimm's bar,
"What is your pleasure," said the voice, and Gunn,
Who stood in front, said "Give me a mild cigar."
But I dreamed, I dreamed, I dreamed.

4

And still at Grimm's I staid and watched the crowd
And wondered who at shaking dice would beat,
When lo ! Gallegos shouted clear and loud,
"We won't shake dice, boys, this once I'll treat,"
But I dreamed, I dreamed, I dreamed.

5

My mind's ear then received a sudden shock,
Upon it wild, intemperate language fell;
I, frightened, shut the door, and turned the lock
For there was Herbert Folger raising h—l,
But I dreamed, I dreamed, I dreamed.

6

A picture passing strange then crossed my brain.
I saw Fred Kellam, plain as plain could be,
Telling a story o'er and o'er again
To patient, silent John T. Fogarty,
But I dreamed, I dreamed, I dreamed.

7

A presidential sceptor marked "F. C."
Another lettered "V. P. F. U. A."
Were passed to Guy Francis, who said modestly
I am not worthy—take them all away,"
But I dreamed, I dreamed, I dreamed.

8

My sleepy mind then wandered back to youth;
Nor stopped, till days, those happy days at school,
I plainly saw the teacher's desk forsooth
Where Judge De Lappe endorsed the Kinne Rule,
But I dreamed, I dreamed, I dreamed.

9

Then gathered field and office men intent
With local agents all in one accord,
And pious, bowing down, with each knee bent,
All joined in asking blessings on the Board,
But I dreamed, I dreamed, I dreamed.

10

Just now I start, and stare with wakeful eyes,
And, terror stricken, wonder if all men
Will pardon me if I apologize
For telling this just as I saw it when—
I dreamed, I dreamed, I dreamed.

11

Faint-heartedly, it was, that I awoke,
And hoped I'd be forgiven and forgotten,
For surely when I thought this was a joke,
Instead of being simply awful rotten,
I dreamed, I dreamed, I dreamed.

General Agency Notes.

One of our agents asked for a supply of "Count current blanks."

Another, possibly of Teutonic extraction, sent the following, under date of January 1: "ICHWUNSCHEEINEFROHLICHEWEIHNACHTEN-UNDEINGLUCKSELIGESNEUESJAHR."

The actual name of the assured under one of our policies is Ole O. Ole.

One of our largest agencies in Southern California issued a policy in favor of Walter Szelonszkiewicz and we had a hunch that it would serve us just right if the risk burned. A few days afterward the original offense was aggravated by the receipt of endorsement as follows: "It is understood and agreed that the assured under this policy is "Mary Szalaskiewicz" (wife of Walter) instead of 'Walter Szelonszkiewicz' as originally written." Then we thought: "After that, if this property burns it is our own fault." Two weeks afterward we paid a partial loss to the lady in question, whose name it is unnecessary to repeat.

During one of the halcyon days before A. W. Thornton owned either a contingent or a bull dog, but had an expense account, he was streaking up Second Avenue, in Seattle, carrying in his arms two of the large fire maps of that city. The load was a heavy one, and the grip he had on it prevented him from turning about, or even looking around. His progress was suddenly impeded by a stiff pull at his coat tails, and a pleading voice piped out:

"Please, sir, gimme a nickel. I'm so hungry, and ——."

"Let go there. Don't you see I can't put this down," came the angry reply.

"But, please sir," continued the plaintiff voice, accompanied by another vigorous tug, which pretty nearly tipped A. W. backward.

"Dod gast you," exclaimed the now wrathy and loaded Special. "If you follow me to that dry goods box ahead, where I can set these books down, I will give you what you need."

The strange procession began; Thornton struggling with his load of books and his tormentor tugging vigorously at his coat tails, and whining his plea for a nickel.

The box was soon reached, where A. W. set the books down with a bang, and whirled around with clinched fist. Imagine his feelings when he looked into the innocent, smiling confiding face of John C. Dornin, who just blew in from San Francisco.

(The above was contributed by a prominent member of the fraternity, who submitted the story to our editorial department for publication. It was decided that, inasmuch as the Knapsack was short for material this year, it would do to fill up. Eds.)

The following inventory was furnished us by the insured. Our policy covers on contents of dwelling house and includes a line on curios. In event of loss the question of depreciation on the tenth item (and several others) will prove a tough job for even a veteran adjuster to tackle.

LIST OF CURIOS.

1	Mountain sheep and case	$500.00
2	Rattle snakes	40.00
1	Mountain sheep, head, neck and shoulders (white)	200.00
1	Grey squirrel	2.00
1	Sparrow hawk	2.50
1	Wild boar	75.00
1	Lobo wolf, extra large	75.00
1	Chaparella	10.00
1	Gila monster, 18 inches	50.00
4	Prehistoric pots Aztec	100.00
1	Hand hammered copper vessel, Indian	25.00
1	Garr fish	8.00
1	Masterdon tusk section	50.00
2	Alaska Indian wild sheep horn spoons	80.00
5	Alaska Indian relics	30.00
1	Pipe stone Indian pipe	2.00
40	Mescelaro Indian curios	150.00
1	Lobo wolf medium	50.00
4	Deer bucks, extra large	600.00
1	Buffalo head	300.00
4	Wild cats	100.00
5	Foxes	100.00
3	Eagles	175.00
5	Owls	35.00
20	Horn racks	200.00
2	Mexican Armadillos Mandolins	40.00
14	Old guns, rifles and shot guns	140.00

5	Pistols	$ 50.00
6	Swords	30.00
15	Spurs	15.00
1	Pair Alaska Indian snow shoes	25.00
3	Pair Elk horns	75.00
1	Mexican sombrero	15.00
1	Raw hide rope	10.00
1	Panther	100.00
2	Seals	200.00
1	Badger	20.00
1	Rabbit	10.00
1	Swan	25.00
6	Ducks	30.00
1	Mexican walking stick, hand carved	40.00
1	Hair bridle, six pounds, silver mounting	200.00
1	Bear hide rug	150.00
10	Indian baskets	100.00
		$4,234.50

Bingville, Cal., Nov. 13, 1910.

Mastodon Insurance Co., San Francisco,

Gentlemen:

Being about Thanksgiving time, it is time to be thankful. So be so. A client hung up some duds to dry, wind or some cause blew them against the stove pipe, result a bonfire and a burned door, damage estimated as $5, total insurance $1,000. Saved, therefore, $995.

All as set forth in policy No. 37,161, C. R. Jimson.

Clothing was wet and hung up to dry. Folks in bed we understand. Mrs. J. going into the kitchen for something, successfully rivals a ciliop-e, (accent on the last syllable, please); Mr. J. rushes to the rescue, singes one hand and his shirt-tail, too late to save the duds, but in time to save the house, thankgawd. Bill very modest, cost of duds much more, but says they were old and he will call it a V and thank the company. Can jackplane and paint the door and all will be well.

If satisfactory please let us know.

Very truly,

(Signed) James Smith, Agent

Annual Statement of Southwestern Mutual Fire Association.

December 31st, 1910.

Through the favor of a kind Providence, the able efforts of the undersigned, Secretary of this Association, and the occasional assistance of our worthy President, Mr. O. U. Mee, another year has passed, with protection to $41,144 worth of property and very small losses.

Our system is simply co-operation. It is said that money makes the mare go, but we say that co-operation makes the insurance go and saves money. Co-operation dates back to the eating of the apple in the Garden of Eden, the effects of which will be felt while the world stands. So let co-operation be our watchword!

We have no watered stock and do not insure any building for more than we will pay.

The directors suggest that each one of our eighty odd members read his policy and the by-laws printed on the back, at least once a month. It is a literary gem and will be fine mental training, and also learn you the conditions of your policy and what you should and should not do.

Mee and I take this opportunity of again cautioning our solicitors not to write as much insurance on the thirty and forty-year old dwellings and barns of our members as it would cost to construct them new and modern. Come to our office and read the work on depreciation by Tiffany, which we have borrowed for six months from a friend in the regular fire insurance business. Mee and I have read it carefully and are now well posted on this important part of the business.

During the year 1910 our income from assessments has been $205, or about $5 per thousand of insurance in force. This may be a little higher than is charged by the companies in the trust, but we have the satisfaction of doing our own business, keeping our money at home and not fattening the pockets of the Wall Street robbers.

We had only two losses last year. Our worthy President's barn was struck by lightning and it was insured for $190. Mee and I adjusted the loss. The building was twenty years old, but Mee thought that Tiffany's tables of depreciation applied to fire losses only and not to lightning losses. Your directors assessed the members to pay Mee $190.

The other loss was a yearling calf owned by Ole Hansen, burned in his corn crib. As President Mee has several cows, I consulted him about the value of Hansen's calf. Mee thought it should be worth $15, with 25 per cent depreciation for one year, so Mee paid $11.25 to our esteemed member Hansen.

Thankful to the Allwise for the absence of any severe electric storms, and thankful for your kind co-operation which enabled us to weather another year, I am,

Fraternally yours,

U. R. Ezy, Secretary.
R. F. D. No. 13.

Telephone Farmers 23.

San Francisco, Dec. 27, 1910.

Geo. C. Codding, Secretary,
Field Club, San Francisco.

Dear Sir:

As a new member of the Field Club, I desire to call your attention to a circumstance which I believe everyone should hear of.

While making my first trip for the Farmers Insurance Company, I visited the town of Woodland, and there, to my surprise, was a sign reading: "J. B. Walden, Dealer in New and Second Hand Furniture."

I dare say there is no rule in the Field Club which prohibits members from engaging in any business, but, what I want to know is, has any insurance company a right to maintain, through its special agent, a second-hand furniture store for the purpose of disposing of the salvage on dwelling house losses. This looks to be a clear case.

Kindly bring the matter up before the Field Club.

Very Sincerely,
A New Member.

Actual Report of Adjuster.

Cause of Fire:
Cimex lectularius.

Gentlemen:

In re Loss Policy No. 517,350, Lem Wing Chuck:

I interviewed the insured as to the cause of this fire and gleaned the following facts:

It seems that he is largely interested in fitting out and financing the salmon packers who leave here every spring for the North. As a consequence, his store is the rendezvous of a motley crew of Japanese, Filipinos, Spaniards, Portuguese and other nondescripts, around the packing season.

In some way the vermin carried by some of these not over clean salmon packers found their way into the household of Mr. Lem Wing Chuck, which is over the store. As a result the little children worried and figited

by day and scratched and howled by night. Frantic from the disturbance, the anxious father sought the cause and discovered a lively colony of bed-bugs. Upon inquiring, he learned that turpentine was a panacea for the insects and promptly got some. Now the little one's bed is not an affair of mahogany or brass, with a downy mattress and silken coverlid—it was merely a couple of saw-horses with some boards over them, over which was spread some matting and bed clothes. The father removed all these things from the bed, saturated the boards and the saw-horses with turpentine and placed some newspapers on top of it all, presumably to aid in stifling the insects. Then he took the children into another room to sleep.

After an interval he went back into the bedroom to see how well the remedy was working. He cautiously lifted up an end of the newspaper from the bed, but could see no results. Then he reasoned that it was probable that after succumbing they would drop to the floor, so, candle in hand, he stooped and placing the candle under the bed, he searched for corpses. He hadn't looked long when the naked flame touched the turpentine-soaked saw-horse and in a moment the whole room was aflame. He rushed into the store below and called his partners, and from the street came the Chinatown squad. The flames were out soon, and it's to be hoped that, incidentally, the bed-bugs perished a horrible death.

C. Lively, Adjuster.

How a Case of Wine Reduced the Assets of an Insurance Company.

Bill Nolan sat in his saloon in the little town of Hanville one April afternoon and idly brushed the flies off his bald pate. Business was dull. His bar receipts had not reached ten dollars during the past two days and he felt that something must be done to stimulate trade. The usual evening crowd of pedro and solo players had dwindled away and most of them were spending their evenings, and playing cards at the town hotel bar. He thought somewhat of winning them back by giving a party at his place, at which no charge would be made for liquid refreshments, but after giving the matter some thought he decided the idea was too expensive to be entertained, especially as business was pretty much to the bad, and most of the boys who lived around the town had abnormal thirsts under ordinary conditions.

"What would they do to my stock," thought Bill, "if I invited them all to a free booze party." Obviously some other scheme must be devised.

In the midst of his meditations the telephone bell rang. His friend, Lem Hale, the popular real estate and insurance agent, of Newton (a large town about thirty miles distant), was on the line.

"Bill," said Hale over the wire, "have you seen anything of Johnny Van Court in town today? I want to talk to him about a piece of real estate he owns." It must be explained here that Johnny Van Court was a large and prosperous grain grower near town and the crop of wheat he had in this year was a "bumper." He was a jolly old bachelor and much given to joking.

"No," answered Bill over the 'phone, "Johnny is out of town. Left last Monday on his honeymoon."

"On his what!" howled Hale.

"On his honeymoon—wedding trip—bliss journey," answered Bill.

"Well, what do you think of that," cried Hale. "Funny he wouldn't say something to his old friends before he rushed off to get spliced. Who did he marry? That little blond he was so fond of?"

"No," Bill answered, "it was the schoolmarm over in the poplar district; and, by the way, he will be back here Friday and the boys are figuring on giving him a big reception on his return. Come down if you can, and if you can't better send him a case of wine right away for the celebration, in my care."

"Sure," replied Hale. "I can't come myself, but I'll send him a case of wine on tonight's train. Nothing too good for Johnny. Goodbye!"

The train that evening discharged a large case marked "J. Van Court, care Bill Nolan, Hanville, compliments of Lem Hale. Bill went over to the depot with a hand truck and wheeled it to the saloon. He ripped it open with a hatchet and there, wrapped in their straw overcoats, were two dozen bottles of choice dry champagne. Then he started to round up the boys.

O, somewhere, sometime, there may have been a jollier crowd, but Bill's thirst emporium was the most popular in Binger county that night. They reveled, they waded in wine, and when the last drop had disappeared, and their strong melodious voices blended together in close barbershop harmony in the beautiful ballads, "The Old Oaken Bucket" and "Way Down Yonder in the Corn Field," the scene was really affecting. Bill's cash register sang a merry tune during the whole evening, and it was long after midnight when the last one left and Bill put the shutters up.

Well, Hale of course heard of the joke. He took it good naturedly, but secretly determined that someone had to pay for that case of wine.

Van Court laughed uproariously when he heard the news of his marriage, and of the celebration at Bill's saloon.

Just one month later Van Court visited Newton and dropped into Hale's office. "Lem," he said, "that was a pretty tough joke put over on you at Hanville, but I'm now going to put you even on the expense. I've

raised grain in this part of the country for twenty-five years, never insured a crop, and never had a fire. Don't believe in insurance, and probably will never insure again, but I will take a policy on my 700 acres of grain this year. It will run about 25 sacks. What's the premium?''

Lem figured it out and charged him a premium, the commission on which was just about what the case of wine cost him.

Get. A. Newrisk, an ambitious young special agent, who happened to be in Hale's office at the time, promptly corralled the business for his concern, the Gulf and Peninsula Ins. Co. Everybody was happy. Hale got even on the wine joke. Van Court got his insurance. Get. A. Newrisk made a hit with his manager, and the G. and P. Insurance Co. got the premium.

Dear reader, we should like to end this story right here. It is with pain and regret the eds. of the Knapsack must chronicle further events in this narrative.

The Van Court risk burned the following month, and that is how a case of wine reduced an insurance company's assets.

The Secretary—Before adjournment takes place, I wish to state that an out-of-town President of this Association has a much harder time in roping the necessary articles to be read; to keep the bunch milling and see that action takes place at the proper time, than an in-town President who has the library to refer to and is in touch with practically all members. It is rare that so much earnestness and vim has spread over the range, and I move a vote of thanks be tendered our retiring President, Frank C. Staniford, for his personality and painstaking faithfulness in the attention given to the duties of that office, and I will request Mr. Fuller to put the motion.

Mr. Fuller—I second Mr. Meade's remarks, and move the vote of thanks be given our retiring President, Mr. Frank C. Staniford, for the earnest work done by him for the Association.

The motion unanimously prevailed.

The President—Gentlemen, I believe there is nothing more to come before the meeting. I want to say that the banquet will be at the Fairmont hotel at seven o'clock, in the Norman room, and

it is unnecessary for me to ask you to be there early. I will now entertain a motion to adjourn.

On motion duly made, seconded and carried, the meeting adjourned.

The following paper by Mr. W. E. Hughes, Chief Electrical Inspector for Washington Insurance Surveys office at Seattle, Washington, was received too late to be read at our annual session and is published by order of the Executive Committee:

Motion Picture Machines.

Nitro-cellulose films, such as are used in motion picture machines. Also the storage of said films.

W. E. Hughes,
Electrical Inspector.

The motion picture machine was introduced on the market approximately fifteen years ago. At this time absolutely no attention was given the matter from a fire standpoint, and it was the custom to run the films into a cotton bag placed in front of the machine and in many cases into an open wooden box. The machines were very often placed approximately in the center of a room in which the people were assembled. In the year 1901, at the request of Mr. Wilson of Boston, a circular letter was sent out from the laboratories in Chicago to all the inspection bureaus requesting their views along the line of protection which might be given to reduce the hazard to a minimum. Just prior to the receipt of this letter as mentioned, a fire had occurred in the city of Seattle, due to the burning of 2,000 feet of film, at which time the writer took up the matter of safeguarding this hazard; recommending the use of a metal tank for receiving the film; also a cover for the upper reel and an automatic shutter in front of the condenser. The ruling which was afterwards adopted and made a part of the code is practically a counterpart of the above mentioned recommendations.

The code still continues to provide that the film be run into a metal tank, but there is a question in the writer's mind as to whether or no the takeup reel is not the safer method. We must admit that there is a possibility in the case of the takeup reel, of same slipping and not taking up the film, and that the operator, instead of stopping the machine and correcting the trouble may be inclined to continue to run the machine and brush the loose film to the floor, which is a very dangerous method. On the other hand, in the case of the film being run loose into the metal tank,

it would mean that a matter of 3,000 feet of loose film would be accumulated in the tank, as it is a general custom to run three films at each show. In the event of an accident happening and the film catching fire, it would be almost impossible for the operator to prevent the burning of the said 3,000 feet, whereas if the film were on the lower or takeup reel and this reel had been handled properly not more than one film could be burned and in all likelihood the fire could be extinguished, insomuch as the film being wound tightly upon the reel would prevent the rapid burning and the flame might be smothered.

But with all precautions which can be taken regarding the handling of machine and film, fires will result, and in the writer's opinion the most correct method is the construction of a fire proof room, in which the machine and the accompanying safety devices can be placed; that this room be equipped with automatic steel shutters which slide in a groove, so arranged that by one movement of the operator's hand all openings to the room can be closed, or in the event of the operator not having time or becoming so excited as to neglect the tripping of the device, that said device be equipped with a fuse link, which would melt at 155 degrees, and as soon as melted would release the trip; thus closing all openings in the same manner as though it had been done by hand. Apparatus of this kind was figured out by the writer sometime since, and I think has been pretty thoroughly tested out in the city of Seattle, as several fires have occurred, but no bad results or losses payable by insurance companies have followed. In one case of very recent date, a matter of 3,000 feet of film was burned. The operator being too excited to operate the trip the same was worked automatically by the melting of the fuse link and not even the smoke from the operating room penetrated to the auditorium.

The use of motors for the operating of picture machines, although directly prohibited by code rulings, is becoming very general, and it would seem to be almost impossible to correct this, as the reports show that practically all of the larger cities, while not sanctioning the use of the motor, are taking absolutely no steps to prevent it, hence the prevention in any one section becomes very difficult. In the writer's opinion, motors could be used with a fair degree of safety, provided the attendant gave the film his constant attention, but the question of hazard lies in the fact that there is a possibility that the operator may be doing something else and neglect to note any trouble which might arise with his film until too late to correct it.

The storage of films is a rather serious matter as in the majority of cases the film exchanges have an enormous number of reels on hand. Each reel ordinarily contains 1,000 feet of film and weighs approximately

five pounds. There have been several disastrous fires resulting from the storage of films. One of the more recent and severe being that which happened in Pittsburgh. The explosion of the films in this case causing an enormous damage to the building, which was of fire-proof construction. In the writer's opinion, in the case of film exchanges, a number of fire-proof vaults or safes should be constructed, giving ventilation to the exterior of the building to prevent the accumulation of gases. It is better to have several such vaults or safes rather than one large one, as in the case of an accident with one it is quite possible that the fire would not communicate to the others, and that the damage would necessarily be much less.

RECOMMENDATIONS.

With regard to the measures of safety which can be taken in the storage of nitro-cellulose films of the character used in motion picture machines.

—

All reels or films shall be kept in a separate metal box, with tight fitting cover, except when being examined or repaired.

Where films are stored in a building with other occupancy, they shall be placed in a standard fire-proof vault or safe. In the case of the building in question, the fire-proof safe is approximately all that could be used, to be constructed as follows:

CONSTRUCTION.

Size not to exceed 150 cubic feet. To have an angle iron frame, continuous at all edges, angle iron to be at least $\frac{1}{4}$ by 2 inches, and for larger sizes increased proportionately. On safes larger than 40 inches high, 30 inches in width and 30 inches deep, an additional stiffening of heavy steel, at least $\frac{1}{4}$ inch thick, and of a width proportioned to size, but never less than two inches, to be used at top, bottom and sides. Sheet steel plates to be not less than No. 12 U. S. gauge, for the outer shell and not less than No. 14 for the inner shell. Filling to be of cement concrete not less than $5\frac{1}{2}$ inches thick, except that the doors may have 4 inches of concrete and a 2-inch sealed air space. This space may be used for the lock and bolts.

Door to have stepped sides, so as to be smoke-proof. No cast iron to be used in the construction of the safe, except such parts as castors, hinges and flanged door frames.

VENTILATION.

Safes to be ventilated to the outside air by an opening having a sectional area of at least 50 square inches (if the size of vault or safe is less

than 150 cubic feet, the vent may have a sectional area of 12 square inches.) Vent pipes to be of metal not less than No. 18 U. S. gauge in thickness, and not to expose other property. To be shielded from the weather and provided with a wire screen of not larger than ¼ inch mesh.

EXAMINING AND REPAIRING.

To be done in a room having outside ventilation and separated from the balance of the building by tight partitions of incombustible material, with doors at openings, partitions and doors to contain no glass other than wired glass.

Room to be used neither for storage nor handling of combustible materials other than the films.

The number of reels or films in a room under examination and repair at any one time to be limited to ten.

Reels containing films under examination or in the process of rewinding to be enclosed in magazines similar to those required on motion picture machines.

WASTE CANS.

Standard metal cans to be provided where repairing is done. All scrap or waste from the films to be kept therein and removed from the building daily to a safe location, such waste to be kept separate from paper waste or other rubbish.

CEMENT.

Any compound of collodiom and amyl acetate, or similar inflammable cements to be limited to one quart, preferably not exceeding the quantity required each day.

LIGHTING.

To be restricted to incandescent electric lamps in vapor proof globes, the installation to be in accordance with the national code.

HEATING.

Examining and repairing room to be heated only by hot air, hot water, or steam, and a metal shield or screen provided to prevent films from coming in contact with radiators or heated pipes. No hot air floor registers to be used.

SMOKING.

To be prohibited in any room containing films, and sign must be posted to that effect.

PROTECTION.

Each room to be equipped with at least two approved, three gallon hand fire extinguishers, and at least one pail of water and one pail of sand to be provided for each safe in use.

MR. C. F. MULLINS'S ADDRESS AT THE BANQUET.

The President—Mr. Mullins's address to you appeals to me strongly. I am about to give up the reins of the office with which you have so highly honored me. His address is a heartfelt talk to us. I want it preserved, and Mr. Mullins has granted permission that it be a part of my year's work with and for you.

Mr. President and Gentlemen:

I have to thank you for the privilege of being present this evening and especially for the compliment of a seat at your presiding officer's table. I was unofficially told that I should be called upon to say something, and I at once made up my mind it should not be about insurance, because I gave that up four years ago and I have since then been active in forgetting what I knew about it. The thought occurred to me that it was fifty years ago that I left school and began the battle of life, and that brought to mind Longfellow's poem "Morituri Salutamus," read at the 50th anniversary of his class, at Bowdoin College. It commences with the lines:

"'Oh Caesar, we who are about to die, salute you!' was the gladiators' cry," and from that I took the key note of the following remarks. Happily, I do not feel at all like dying at present, and I hope Father Time will continue to treat me as kindly in the future as he has in the past, and may he not call for me too soon.

However, the fact of so many of my contemporaries having joined the great majority during the years I have been absent from the city, reminds me I may not enjoy the privilege of addressing you again; therefore in speaking to you, especially to the younger men, I shall do so with the hope that what I may say will not fall on stony ground, and that the crop will not be entirely thorns and thistles.

I have roamed over a very large part of this world, both in its beaten and unbeaten tracks, and amongst the most interesting things I have found are its rivers. I have watched the flow of grand rivers in China, Mongolia, Manchuria and Siberia; I have crossed one of the main tributaries of the great Mackenzie river emptying into the Arctic; I have stood on the great divide of the American continent watching the drip, drip, drip of the melting

snows that, trickling east and west, were the beginning of mighty rivers ending in the Atlantic and the Pacific; and I have always thought how like to human life they are, the little drops of water nursed by Mother Earth, we in our mother's arms, both gradually growing in size and strength, creeping, crawling, toddling, walking, running, leaping, forcing our way through obstacles, bursting with the joy of life, and the joy of living, and then the end — the river swallowed up in the sea, and we in the great unknown. But I am not going to moralize about the end. There is an interval between the leaps and bounds of the river over rocks and rapids, through dells and dales, and its being swallowed up by the sea, and there is an interval in the life of man between the joy of living when the "heart beats hot and restless" and the time when the beats cease. The river and the man before reaching their end travel, as a rule, over a dull, flat, monotonous country, mingled with the mud and detritus brought along with them, the river burdened with ships and the man often bearing the burden of others as well as his own, but there the similitude ceases. The river has to be what nature makes it, the man can shape his own destiny to a great extent and make the interval enjoyable and profitable, and in regard to that I could say a great deal, but time will not permit and I do not wish to sermonize too much, but as one who has traveled a long way on the road of life, I want to say just a few words.

There is an old saying that I have frequently heard, "It is better to wear out than to rust out." I have never been in sympathy with it, and I do not think it can stand the test of examination from the standpoint of a man who is working for the interests of others, as insurance men do. If a man has been provident and successful in securing a competency sufficient for his wants, he should at the early stages of impaired mental or physical vigor give up his work and preserve his forces at the highest standard he can, as long as he can; if he does not, he is wearing himself out faster than his needs require, and that appears unwise; if he continues work without giving it the benefit of all his forces, he is shirking his load at some other man's expense and that seems unfair. As to rusting out, why should he? I have had four years'

experience of it and find I can occupy my time rationally and agreeably. I do not feel as if I was rusting out, and my friends are kind enough to say I do not look it. What I want to impress upon those of you young enough to profit by my remarks, is that in order to enjoy the end of the journey of life, you must make preparation for it; if you find yourself nearing the end without having made such preparation, it will be too late to begin; if you have sought dollars at the expense of everything else, you will be without the capacity of enjoying them; if you have sought enjoyment at the entire cost of your earnings, you must wear yourself out feeling your energies and usefulness constantly decreasing, with all the depression incident thereto.

The preparation is not difficult, but it must be both persistent and consistent until it becomes habit, and if you will only exercise a reasonable amount of will power you will be surprised how easily good habits are formed. On the financial side, you must educate yourself and those dependent on you to live reasonably within your means, and if you can't educate them, make them, and avoid expenses that your position in life does not call for. Do not create wants that will keep your nose at the grindstone to supply; be satisfied with five percent interest and avoid get rich quick schemes. Work hard while you have the capacity to do so, but don't forget to play all you can without prejudice to your work, and let the play be outdoor play as far as possible. Take up anything and everything of that kind you can and gradually you will find yourself changing to those best suited to your age and strength. If it does not appeal to you at first, persevere and get the habit. You will appreciate it later on. Cultivate good reading, and if you have the time, learn one or two languages besides your own and open up an enjoyable field in the best literature of other countries. Learn as much as your opportunities permit of the arts and sciences and you will find, instead of rusting out with nothing to do, that you are busy all the time with things that are congenial to you, preserving as far as may be your physical condition and increasing your mental powers.

Perhaps I have proved tedious to some of you, especially the older set, but if I have been able to sow a little seed on good ground

and it brings forth good fruit, I shall feel better pleased with the result than having attempted something humorous, and failed.

Permit me to conclude, by once more quoting that dear fireside friend and poet, Longfellow:

"Let him not boast who puts his armor on
As he who puts it off, the battle done."

* * * * *

"Write on your doors the saying wise and old,
'Be bold! be bold!' and everywhere
'Be bold!'
'Be not too bold!' Yet better the excess
Than the defect; better the more than less;
Better like Hector in the field to die,
Than like a perfumed Paris, turn and fly."

Gentlemen, I "salute you."



"Trouble not your head about the weather or the government."

Menu

Huitres en Coquilles, Mignonette

Riesling

Hotel Fairmont

Consomme Grand Duke

Olives

Amandes Salees Celery en Branche

Claret

Hotel Fairmont

Filet of Sole au Vin Blanc

Pommes Gastronome

Bouchees de Ris d'Agneau Miramonte

Punch a la Californienne

Poulets de Grain Farci Demi-Glace

Petits Pois a l'Anglaise

Champagne

Veuve Clicquot

Salade de Saison

Glace Napolitain, Petits Fours Varies

Cafe Noir

Instrumental Music Franz Mayer's Orchestra

Vocal Music Knickerbocker Quartette

"Life is short—it only gives a man time to wear through one pair of eyes, two sets of teeth and a reputation."

IN MEMORIAM

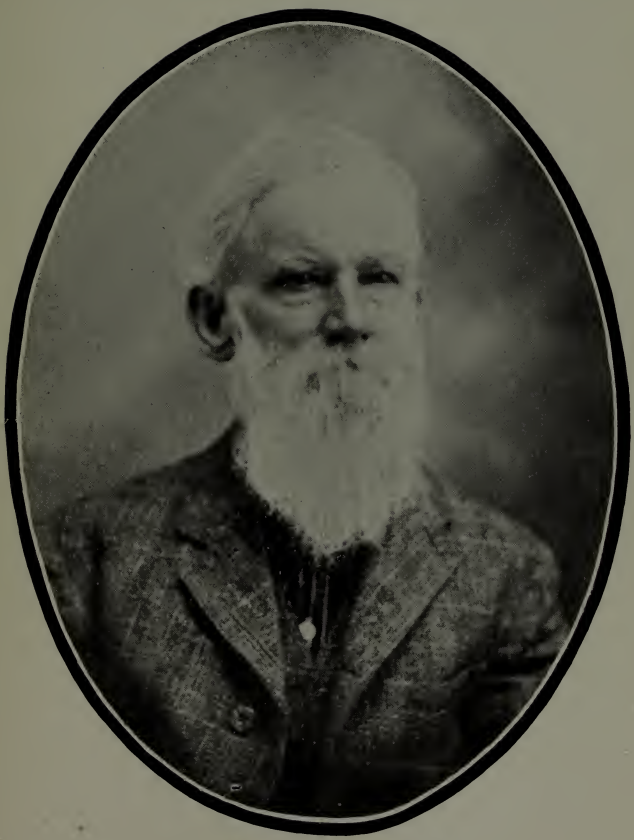
HENRY HOMES BIGELOW

In the death of "Harry" Bigelow this Association loses an honorary and a charter member and its first vice president, who filled that office in 1876. Mr. Bigelow died on October 10, 1910, at the home of his youngest and only surviving son, in Nevada City, Cal., in his 80th year.

"Harry" Bigelow, as he was always known, was born on December 28, 1830, at Rochester, Mass. He came from good New England stock. His father was a noted clergyman of the Congregational Church. His mother's father, a Tappan, was also a clergyman. He was related. also, to the family of Johnathan Edwards, a very noted clergyman of the early days of this country. After a period of education in "the little red schoolhouse," the "grammar," the "high," and in Bowdoin College, as we are informed, and by private tutors, at the age of 20 the spirit of adventure led him, together with his brother George, to make a voyage around the world, on a sailing vessel. They visited all the principal seaports and landed in San Francisco in 1850.

Returning soon to the East, "Harry" became a school-teacher. In the late '50's he engaged in insurance work in Cleveland, Ohio, where he became the local agent of the Home Insurance Company of New York. Appreciating his extraordinary ability, this company sent him to St. Louis and made him their special agent and their general agent for the West and the South. In 1861 the Home persuaded young Bigelow to go to California as its representative. In 1867 he became the general agent of the Pacific Insurance Company of San Francisco. In 1872 he was appointed general agent of the Home Mutual Insurance Company of San Francisco. Declining health led to his retirement from active business, and in 1892 he left the city and went to the country, where he ended his days.

Mr. Bigelow was a man of versatile talents and wonderful energy and endurance. No man in the insurance business in California was better known in the '60's and '70's, and he largely extended his acquaintance by canvassing the state for Governor Henry H. Haight.



HENRY HOMES BIGELOW



JACOB VERNON SPEARS

JACOB VERNON SPEARS

The Fire Underwriters' Association of the Pacific is again called upon to bow its head in sorrow over the death of one of its most highly esteemed and valued members, Mr. Jacob Vernon Spears, of Dallas, Texas, General Agent of the Fireman's Fund Insurance Company, who was suddenly called upon to lay down life's burdens on the 28th day of December, 1910, while yet in his prime. Mr. Spears was born in Georgetown, Kentucky, June 8th, 1857, went to Texas in 1890, and for several years was a member of the local agency firm of Groce, Spears & Cole, of Dallas, from which he retired to engage as Special Agent of the Fireman's Fund Insurance Company, later being advanced to the position of General Agent, which he held at the time of his death.

For several years he was President of the Texas Fire Prevention Association, whose affairs he guided wisely and well.

Although not directly identified with the business of the Pacific Coast, the duties of his position brought him frequently into our midst, where he became so well and favorably known that he was made a member of this Association, and prepared for it several papers of much worth, the last one being finished just before he was taken by the Grim Reaper, and was probably one of the last duties performed by Mr. Spears.

His death is a distinct loss to this Association and a severe blow to the underwriting interests of the Southwest, where he was a tower of strength and always to the fore in opposing the vicious measures that for a time threatened the very life of the business in that section. To those of us who knew him intimately, his character was of a strong, rugged beauty, rising above the ordinary as the mountains above the foothills, and

Whereas, our Heavenly Father, in His infinite wisdom, has seen fit to take him, thereby removing from our midst a most loyal friend and staunch supporter, and from his family a kind, indulgent and loving husband and father, therefore, be it

Resolved, That the Fire Underwriters' Association of the Pacific has suffered a great loss in his passing, and that this preamble and resolution be spread upon the records of the Association and a copy thereof be sent to his family, as an expression of the esteem and regard in which we held him and the deep sympathy we feel for his loss.

BERNARD FAYMONVILLE,
E. P. FARNSWORTH,
McCLURE KELLY,
} COMMITTEE.

ALFRED RUDOLPH GRIM.

A genial spirit, long a member of this Association, has departed. Death came suddenly and claimed Alfred R. Grim. There was no warning. The deceased was born in Virginia City, Nev., in 1864, and died in San Francisco in the night of June 30, 1910.

Mr. Grim began insurance work at the age of 19, in the office of the Pacific department of the Liverpool & London & Globe Insurance Company. At the age of 25 he went into the office of the new Anglo-Nevada Assurance Company. In 1891 he became a special agent for the Union Insurance Company of San Francisco and remained with its reinsurer, the Alliance Assurance Company. He was soon appointed assistant manager of the Pacific department. In 1896 he went with the Aachen & Munich Insurance Company as special agent, and two years later he was appointed assistant manager. After the great fire he became a member of the firm of Conroy & Grim, managers.

The record is complete ; the contingent has been earned ; and our friend and associate sleeps well.



ALFRED RUDOLPH GRIM



CHARLES BARTON HILL

CHARLES BARTON HILL.

By the death of Charles Barton Hill on August 24th, 1910, at the age of forty-seven, this Association lost one of the most familiar faces in the group of field men in California, and one of the best beloved. As special agent for Manager Tom C. Grant in earlier, and for General Agent George H. Tyson in later years, he was well known throughout the State, and will long be missed by the agents he visited. His opinion was valued and his advice sought; and the expressions of regret at the announcement of his death were wide and spontaneous. Direct in speech, and having the courage of his convictions, he put his personality into his duties, and received in return the hearty esteem of his associates and the deep regard of his friends.

HERBERT FOLGER,
W. H. LOWDEN,
WALTER M. SPEYER,
} COMMITTEE.

HERMAN C. KOEMPEL

A young, energetic and capable man passed away when Herman C. Koempel, an adjuster and a member of this Association, died in Fruitvale, Cal., January 6, 1911. The deceased was a native of Brooklyn, H. Y., where he was born on June 3, 1869. He was therefore in the prime of life, in his 42d year, when he paid the debt of Nature.

Mr. Koempel began his business career as an office clerk in the loss department of the North British & Mercantile Ins. Co. in New York, in 1886. Several years later he became loss clerk in the office of the Guardian Ins. Co. He assisted in closing up this company's American business after it reinsured in 1894. After a few months he found congenial employment and associations in the office of the Caledonian Insurance Company, where at first he was the head of the loss department, and later added adjusting work to his duties. In 1901 he became an independent adjuster. In 1906 he came to California to assist the Caledonian in its adjustments of San Francisco conflagration losses. Charmed with the country, when the year of his engagement was ended he determined to remain in California, and at once actively engaged in the general work of adjusting fire losses.



HERMAN C. KOEMPEL

CHARTER MEMBERS

Of the Fire Underwriters' Association of the Pacific

Organized February 23, 1876

*Bailey, Jas. D., General Agent, Union Insurance Co.
*Barney, E. T., General Agent, California Insurance Co.
*Bigelow, H. H. General Agent, Home Mutual Insurance Co.
Brush, R. G., City Agent, State Investment & Insurance Co.
*Brown, Edw., General Agent, Faneuil Hall & Lycoming Insurance Cos.
*Bromwell, L. L., Special Agent, Phoenix and Home Insurance Cos.
*Bryant, A. J., President State Investment & Insurance Co.
*Callingham, Wm. J., General Agent, Royal Canadian Insurance Co.
*Clark, Z. P., Agent, German-American Insurance Co.
*Dick, B. C., Agent, Kansas Insurance Co.
Dickson, Robt., Manager, Imperial, Northern & Queen Insurance Co.
*Doolan, Wm., Special Agent, State Investment & Insurance Co.
*Dornin, Geo. D., Secretary, Fireman's Fund Insurance Co.
*Garniss, J. R., Adjuster.
*Grant, Geo. F., Special Agent, North British & Mercantile Insurance Co.
*Gunnison, A. R., Special Agent, Commercial Insurance Co. of California.
*Hart, J. W., Agent, Scottish Commercial Insurance Co.
*Houghton, J. F., President Home Mutual Insurance Co.
*Landers, Wm. J., Manager, San Francisco Agency, Guardian Assurance Co.
*Lowe, B. F., Adjuster.
Macdonald, William, Surveyor, Board of Fire Underwriters.
Magill, R. H., General Agent, Home Mutual Insurance Co.
Potter, E. E., of Potter, Jacobs & Easton, General Agents.
Sexton, Wm., Special Agent, Fireman's Fund Insurance Co.
Smith, A. D., General Agent, Northwestern, Amazon & Fairfield Insurance Cos.
*Smith, Henry, Special Agent, Liverpool & London & Globe Insurance Co.
Snow, H. W., Special Agent, Commercial Union Assurance Co.
*Spencer, Geo. W., Special Agent Ætna Insurance Co.
*Staples, J. W., Adjuster.

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*Deceased.

OFFICERS AND COMMITTEES.

List of Officers and Committees of the Fire Underwriters' Association of the Pacific since organization:

Year.	President.	Vice-President.	Sec.-Treas.
1876	*Benjamin F. Low	*Henry H. Bigelow	*John W. Staples
1877	*George D. Dornin	*Wm. L. Chalmers	*John W. Staples
1878	*Augustus P. Flint	*Edward Brown	*John W. Staples
1879	*Caspar T. Hopkin	Andrew D. Smith	*John W. Staples
1880	*Geo. W. Spencer	*E. W. Carpenter	*John W. Staples
1881	*L. L. Bromwell	*Geo. F. Grant	*John W. Staples
1882	*George F. Grant	*E. W. Carpenter	*John W. Staples
1883	*E. W. Carpenter	William Sexton	*Robert H. Naunton
1884	William Sexton	C. Mason Kinne	*C. P. Farnfield
1885	C. Mason Kinne	*Zenas P. Clark	*Robert H. Naunton
1886	*Zenas P. Clark	*John W. Staples	*Robert H. Naunton
1887	*John W. Staples	*Wm. L. Chalmers	Bernard Faymonville
1888	*Wm. L. Chalmers	L. B. Edwards	Bernard Faymonville
1889	L. B. Edwards	*Wm. J. Callingham	Thomas W. Fenn
1890	B. Faymonville	Wm. H. Lowden	*Robert H. Naunton
1891	Wm. H. Lowden	Henry M. Grant	George H. Tyson
1892	Henry M. Grant	Stephen D. Ives	Edward Niles
1893	Stephen D. Ives	Rolla V. Watt	Russell W. Osborn
1894	Rolla V. Watt	V. Carus Driffield	Russell W. Osborn
1895	V. Carus Driffield	Herbert Folger	Louis Weinmann
1896	Herbert Folger	R. W. Osborn	Louis Weinmann
1897	R. W. Osborn	Edward Niles	Calvert Meade
1898	Louis Weinmann	Louis Weinmann	Calvert Meade
1899	Edward Niles	Frank J. Devlin	Calvert Meade
1900	Frank J. Devlin	Geo. W. Dornin	Calvert Meade
1901	Geo. W. Dornin	Wm. H. Gibbons	Calvert Meade
1902	Wm. H. Gibbons	Whitney Palache	Calvert Meade
1903	Whitney Palache	Jacob L. Fuller	Calvert Meade
1904	Jacob L. Fuller	A. W. Thornton	Calvert Meade
1905	A. W. Thornton	F. B. Kellam	Calvert Meade
1906	F. B. Kellam	Arthur M. Brown	Calvert Meade
1907	Arthur M. Brown	John W. Gunn	Calvert Meade
1908	J. W. Gunn	A. Gilliland	Calvert Meade
1909	Adam Gilliland	F. C. Staniford	Calvert Meade
1910	Frank C. Staniford	T. J. A. Tiedemann	Calvert Meade

*Deceased.

EXECUTIVE COMMITTEE.

1876	*L. L. Bromwell	*James R. Garniss	*George F. Grant
1877	*Edward Brown	*William J. Landers	Andrew D. Smith
1878	Andrew D. Smith	*Oliver H. Cole	*George W. Spencer
1879	*Augustus P. Flint	William Macdonald	*Albert R. Gunnison
1880	*George F. Grant	*Edward Brown	*Oliver H. Cole
1881	*George W. Spencer	*E. W. Carpenter	C. Mason Kinne
1882	Thomas E. Pope	Andrew D. Smith	*Thomas A. Mitchell
1883	*George F. Grant	Harvey W. Snow	Oliver Hawes
1884	*George F. Grant	Harvey W. Snow	Oliver Hawes
1885	*George F. Grant	Harvey W. Snow	Oliver Hawes
1886	*H. K. Belden	*George F. Ashton	Calvert Meade
1887	*H. K. Belden	*George F. Ashton	Calvert Meade
1888	*W. J. Callingham	George C. Pratt	Rolla V. Watt
1889	B. Faymonville	Wm. H. Lowden	*Henry K. Belden
1890	*H. K. Belden	*George Easton	Henry M. Grant
1891	*H. K. Belden	*George Easton	Alfred Stillman
1892	Alfred Stillman	*George Easton	V. Carus Driffield
1893	V. C. Driffield	Wm. H. Lowden	William Sexton
1894	Herbert Folger	Franz Jacoby	Jas. H. De Veuve
1895	R. W. Osborn	Frank J. Devlin	John T. Fogarty
1896	Frank J. Devlin	George W. Dornin	Whitney Palache
1897	*Frank G. Argall	Edward Niles	Robert P. Fabj
1898	Whitney Palache	*Wm. H. Bagley	Leslie A. Wright
1899	John T. Fogarty	*Alfred R. Grimm	Whitney Palache
1900	Edward Niles	Wm. H. Lowden	Russell W. Osborn
1901	Frank J. Devlin	Rolla V. Watt	William Sexton
1902	George W. Dornin	Herbert Folger	Louis Weinmann
1903	W. H. Gibbons	Herbert Folger	Louis Weinmann
1904	Whitney Palache	W. H. Gibbons	George W. Dornin
1905	J. L. Fuller	A. W. Thornton	W. H. Gibbons
		Whitney Palache	George W. Dornin
1906	A. W. Thornton	F. B. Kellam	R. W. Osborn
		Louis Weinmann	Herbert Folger
1907	F. B. Kellam	Arthur M. Brown	Herbert Folger
		W. H. Gibbons	J. L. Fuller
1908	Arthur M. Brown	John W. Gunn	Frank J. Devlin
		J. L. Fuller	Russell W. Osborn
1909	John W. Gunn	Adam Gilliland	F. B. Kellam
		Geo. W. Dornin	W. H. Gibbons
1910	Adam Gilliland	Louis Weinmann	A. W. Thornton
		Frank C. Staniford	Rolla V. Watt
1911	Frank C. Staniford	T. J. A. Tiedemann	William Sexton
		R. W. Osborn	J. W. Gunn

*Deceased.

CALIFORNIA KNAPSACK.

1879	Charles Mason Kinne, Editor	W. Macdonald, Associate Editor
1880	Charles Mason Kinne, Editor	
1881	Charles Mason Kinne, Editor	*G. F. Grant, Associate Editor
1882	Charles Mason Kinne, Editor	
1883	Charles Mason Kinne, Editor	
1884	Charles Mason Kinne, Editor	
1885	*George F. Grant, Editor	
1886	*George F. Grant, Editor	
1887	*Edwin W. Carpenter, Editor	
1888	*Alexander J. Wetzlar, Editor	
1889	*Alexander J. Wetzlar, Editor	
1890	*George F. Grant, Editor	
1891	*George F. Grant, Editor	
1892	*George F. Grant, Editor	
1893	*George F. Grant, Editor	
1894	*George F. Grant, Editor	Edward Niles, Associate Editor
1895	*George F. Grant, Editor	Edward Niles, Associate Editor
1896	*George F. Grant, Editor	Edward Niles, Associate Editor
1897	*George F. Grant Editor	Edward Niles, Associate Editor
1898	*George F. Grant, Editor	Edward Niles, Associate Editor
1899	*George F. Grant, Editor	Edward Niles, Associate Editor
1900	*George F. Grant, Editor	Edward Niles, Associate Editor
1901	*George F. Grant, Editor	Edward Niles, Associate Editor
1902	*George F. Grant, Editor	Edward Niles, Associate Editor
1903	*George F. Grant, Editor	Edward Niles, Associate Editor
1904	*George F. Grant, Editor	Edward Niles, Associate Editor
1905	*George F. Grant, Editor	Edward Niles, Associate Editor
1906	*George F. Grant, Editor	Edward Niles, Associate Editor
1907	A. W. Thornton and A. C. Thornton	
1908	A. W. Thornton and A. C. Thornton	
1909	A. W. Thornton and A. C. Thornton	
1910	A. W. Thornton and A. C. Thornton	
1911	A. C. Thornton and G. A. R. Heuer	

DINNER COMMITTEE.

†(From first banquet in 1881 to 1908)

	‡*George W. Spencer	*George F. Grant
1908	*George W. Spencer	C. Mason Kinne
1909	C. Mason Kinne	E. C. Morrison
1910	Dixwell Hewitt	W. B. Hopkins
1911	H. P. Blanchard	W. O. Wayman

*Deceased.

LIST OF MEMBERS

ACTIVE MEMBERS.

Agnew, F J, Special Agent, Pennsylvania Fire Insurance Company
Allan, C E, Independent Adjuster, San Francisco
Alverson, W W, Assistant Manager, Associated Underwriters
Anderson, A C, Special Agent, New York Underwriters
Anderson, C H, Special Agent, Springfield Insurance Company
Ankele, J H, General Agent, International Fire Insurance Company
Archer, R T, Independent Adjuster, Los Angeles, Cal.
Atkins, F E, Special Agent, Liverpool & London & Globe Insurance Company
Avery, Frank M, Manager, Fire Association and Philadelphia Underwriters Insurance Companies
Barsotti, Chas L, Special Agent, Fire Association
Bailey, A E, Special Agent, New York Underwriters
Bailey, J D
Bangs, Franklin, Secretary Home F. & M. Insurance Company
Banks, J H, Special Agent, Royal and Queen Insurance Companies
Bates, H L A, Manager, and Assistant Manager Commercial Union Assurance Company
Benner, Harry, Special Agent, German-American, Phoenix and German Alliance Insurance Companies
Bertheau, C, of Bertheau-Watson Ins Agency
Blanchard, H P, Assistant Secretary, Fireman's Fund Insurance Co.
Boyd, R T, Special Agent, London Assurance Company
Branch, F M, Superintendent of Agencies, New York Underwriters
Breeding, W H, Special Agent, Aetna Insurance Company
Brodenstein, E M, Special Agent, Law Union & Rock
Brooks, Geo W, Secretary California Insurance Company
Broomell, B B, Special Agent and Adjuster, Tacoma, Wash.
Brown, A M, of Edward Brown & Sons, General Agents, Svea, Agricultural and Globe & Rutgers
Brown, H H, of Edward Brown & Sons
Brush, R G Special Agent, Liverpool & London & Globe Ins. Co.
Burgard, John H, General Agent, Spring Garden Insurance Company
Burger, C H, with Western Assurance Company
Burke, H R, Special Agent, Royal and Queen Insurance Companies
Buswell, H C R, Supt. of Agencies, California Insurance Company

Caine, E P, with McNear & Wayman General Agency
Cassell, W P, Secretary, International Fire Ins. Co.
Christensen, Chas, of Christensen & Goodwin, Managers, American Central, St. Paul and Mercantile Insurance Companies
Chapuis, F A
Cobb, James F, Manager, Dixie Fire Insurance Company
Cleveland, W W, Special Agent, McNear & Wayman General Agency
Codding, Geo C, Special Agent, Springfield F & M Insurance Company
Coffey, W P, Special Agent, Fireman's Fund Insurance Company
Conroy, T J, of Conroy & Olds, Managers, Caledonian and Aachen & Munich Insurance Companies
Commerford, Z W, Special Agent, Western Assurance Company
Cosgrove, J E, Special Agent, Catton, Bell & Co. Agency
Crandall, J E, Special Agent, Springfield F. & M. Insurance Company
Crux, Geo A, Assistant Manager, Caledonian Insurance Company
Curtis, J F D, Manager, Providence-Washington Insurance Company
Danker, H, with J H Ankele General Agency
Davis, A G, Special Agent, E E Potter's Agency
Davies, Arthur P, with Edward Brown & Sons
Dearborn, G W, Special Agent, McNear & Wayman Agency
DeLappe, R Special Agent, American Central, St. Paul and Mercantile Insurance Companies
Dennis, Jas J, Special Agent, Hartford Fire Insurance Company
Dennis, Wm, Special Agent, Hartford Fire Insurance Company
Devlin, Frank J, Manager, Atlas and Atlas-Manchester Assurance Cos.
Devine, Geo E, Special Agent, Hartford Fire Insurance Company
DeVeuve, Clarence, General Agent Dubuque F. & M. Insurance Company
Dibble, L L, Special Agent, Christensen & Goodwin Agency
Dickson, Frank W, of Dickson & Thieme, General Agents, Concordia Fire and German Fire Ins. Cos.
Doerfler, E G, Manager, Los Angeles Insurance Company
Dollard, Robert E, Special Agent, Hartford Fire Insurance Company
Dornin, Geo W, Manager, Springfield F & M Insurance Company
Dornin, John C, Assistant Manager, Springfield F & M Insurance Co.
Drennen, Wm A, Metropolitan Manager, National Union Fire Ins. Co.
Dutton, W J, President, Fireman's Fund Insurance Company
Dutton, Grayson, Special Agent, Fireman's Fund Insurance Company
Eitel, Edw E, Independent Adjuster, San Francisco
Eldred, E P, Special Agent, Royal Insurance Company
Elster, F H, Special Agent, Atlas Assurance Company
Emerick, F L, Special Agent, Washington Fire Insurance Company

Emery, R D, Special Agent, Christensen & Goodwin General Agency
Fabj, R P, Special Agent, Liverpool & London & Globe Insurance Co.
Farnsworth, Ed P, Independent Adjuster, San Francisco
Farr, F H, Special Agent, Royal and Queen Insurance Companies
Faust, M E, Independent Adjuster, Los Angeles, Cal.
Faymonville, Bernard, Vice-President, Fireman's Fund Insurance Co.
Fisher, I M, Special Agent, Norwich Union Fire Insurance Company
Flack, E B, Special Agent, Christensen & Goodwin General Agency
Fogarty, J T, Assistant Manager, Royal and Queen Insurance Companies
Folger, W P, of Hall & Foiger, Adjusters, Spokane, Wash.
Folger, Clinton, Joint Manager, New Zealand Insurance Company
Folger, Roy S, Special Agent, Royal and Queen Insurance Companies
Folger, Herbert, Assistant General Agent, German-American, Phoenix and German Alliance Insurance Companies
Fores, Harry W, General Agent, Scottish Union & National and State Fire Insurance Companies
Fortmann, W G, Special Agent, Caledonian Insurance Company
Francis, Guy, Special Agent, Connecticut Fire Insurance Company, and Vice President Fire Underwriters Association
Frazier, W A, Special Agent, Christensen & Goodwin Agency
French, John S, Special Agent, Fireman's Fund Insurance Company
Froiseth, Bernard, Special Agent Insurance Company of North America
Frith, T T, Special Agent, London Assurance Company
Fritschi, John B, Special Agent, Christensen & Goodwin Agency
Fuller, J H, Special Agent, Scottish Union and National Insurance Co
Fuller, J L, Assistant Manager, Norwich Union Fire Insurance Society
Gay, J R, Special Agent, Phoenix Assurance Company
Gabrielson, C D, Special Agent, Royal and Queen Insurance Companies
Gallegos, R, Assistant General Agent, Phoenix Assurance Company
Gerould, P E, Special Agent, Sun and Michigan Insurance Companies
Gibbons, W H, Supt. of Agencies, Edward Brown & Sons' Gen'l Agency
Giesy, A W, Special Agent, National Fire Insurance Company
Gill, W S, Special Agent, C. A. Herny & Co., General Agency
Gilliland, Adam, General Adjuster, Hartford Fire Insurance Company
Goodwin, Benjamin, of Christensen & Goodwin, Managers, American Central, St. Paul, and Mercantile Insurance Companies
Gordon, Harry F, of Gordon & Hoadley, General Agents, American Insurance Company
Goggin, Gerald E, with London and Niagara Insurance Companies
Gray, George T, Special Agent, Christensen & Goodwin General Agency
Greenwalt, C L, Special Agent, Providence-Washington Ins. Co.

Grant, H M, Independent Adjuster, Portland, Oregon
Griffith, P H, Special Agent, Hartford Fire Insurance Company
Grove, W W, Special Agent, Hartford Fire Insurance Company
Gunn, John W, Deputy Assistant Manager, Liverpool & London & Globe Insurance Company
Hale, L M, Special Agent, Edward Brown & Sons' General Agency
Hammond, J J, Special Agent, Fireman's Fund Insurance Company
Hall, O N, Special Agent, Phoenix Assurance Company
Hall, Henry, of Hall & Folger, Independent Adjusters, Spokane, Wash.
Hamilton, J K, Assistant General Agent, Insurance Co. of North America
Harrison, J Hunter, with Insurance Company of North America
Harold, C R, Special Agent, London Assurance Company
Hatcher, J B, Special Agent, German-American Insurance Company
Haven, Chas D, Manager, Liverpool & London & Globe Insurance Co.
Heuer, Geo F, Special Agent, Commercial Union and Palatine Ins. Cos.
Heuer, G A R, Special Agent, Aetna Insurance Company
Henry, Carl A, of C A Henry & Co., General Agents, Sun Insurance Office, Michigan Fire & Marine Insurance Co. and Sun Ins. Co.
Hewitt, Dixwell, of Palache & Hewitt, Genl. Agents, Hartford Fire Ins. Co.
Hildreth, H P, Special Agent, British-America and Western Insurance Co's
Hill, Chas S, Special Agent, McNear & Wayman Agency
Hill, Wm H, Special Agent, Edward Brown & Sons General Agency
Holloway, L C, Special Agent, E E Potter's Agency
Hougaard, J A, Special Agent, North British & Mercantile Insurance Co.
Howard, J C, Special Agent, New York Underwriters
Hoadley, G O, of Gordon & Hoadley, General Agents, American Ins. Co.
Hopkins, W B, Special Agent, London & Lancashire Fire Insurance Co.
Houseworth, Harrison, Special agent, Liverpool & London & Globe Insurance Company
Hunter, F L, Resident Manager, Northern Assurance Company
Hunter, R D, Superintendent of Agencies, Fireman's Fund Insurance Co.
Irving, Washington, General Agent, Phoenix Assurance Company
Ives, S D, Vice President, Home F. & M. Insurance Company
Jacoby, Franz, Independent Adjuster, San Francisco
Johnsen, J Edward, Special Agent, London and Niagara Insurance Cos.
Johnston, J C, General Agent, Insurance Company of North America
Jones, A W, Independent Adjuster, Seattle, Washington
Kaltz, Bruce, Special Agent, National Fire Insurance Company
Kelly, McClure, Assistant Manager, Franklin Fire Insurance Company
Kellam, F B, Branch Secretary, Royal and Queen Insurance Companies.
Kenna, Jas R, Special Agent, C A Henry & Co, General Agency

Kenny, J J, Manager, Western Assurance and British America Assurance Company
Kinne, C Mason, Assistant Manager, Liverpool & London & Globe Ins. Co.
Kinney, C C, Manager, Franklin Fire Insurance Company
Klinger, Wm M, Special Agent, Fireman's Fund Insurance Company
Knowles, E C F, Special Agent, Phoenix Assurance Company
Kuhl, Wm F, Special Agent, Insurance Company of North America
Lamey, H T, Manager Western Assurance and British-America Assurance Companies, Denver, Colorado
Lanagan, F K, Special Agent, Fireman's Fund Insurance Company
Lamping, L F, Oregon State Agent, Royal Exchange Assurance Company
Lindsay, A N, Special Agent, California Insurance Company
Lloyd, Independent Adjuster, Portland, Oregon
Lowden, E Kenneth, Special Agent, Norwich Union Fire Insurance Co
Lorigan, B W, Special Agent, Hartford Fire Insurance Company
Lockey, Richard, Independent Adjuster, Helena, Montana
Lord, Leslie H, Special Agent, Sun and Michigan Insurance Companies
Lowden, W H, Manager, Norwich Union Fire Insurance Society
Lyndall, Chas P, Special Agent, New Zealand Insurance Company
Macdonald, Wm, of Macdonald & Miles, General Agents, Westchester, Delaware and Camden Insurance Companies
Macdonald, Burns, of Macdonald & Miles, General Agents
Mann, H R, Manager, New York Underwriters' Agency
Manning, F J H, Special Agent, Commercial and Palatine Insurance Cos.
Manning, William, Special Agent, Atlas Assurance Company
Main, Geo C, Independent Adjuster, Seattle, Wash.
Mann, H R, Jr., Special Agent, H R Mann & Company
Mariner, G S, Special Agent, Norwich Union Fire Insurance Society
Maris, Wm, Independent Adjuster, San Francisco
Manheim, H S
Mayer, F J Alex, Oregon State Agent, Fire Association of Philadelphia
McCarthy, C V, Special Agent, Pennsylvania Fire Insurance Company
McGee, J F, Manager, Associated Underwriters
McKinley, L M, Special Agent, Law Union & Rock Insurance Company
McKowen, J H, Independent Adjuster, Los Angeles, Cal.
Meade, Calvert, Independent Adjuster, Secretary Fire Underwriters Association, San Francisco
Medcraft, R C, Manager, Catton, Bell & Company
Mel, Louis, Special Agent, Aetna Insurance Company
Mendell, Geo H, Jr.
Mendell, Jno M, Special Agent, London and Niagara Insurance Companies

Mesick, S P, Superintendent of Agencies, Pennsylvania Fire Insurance Co.
Miles, D E, of Macdonald & Miles, General Agents, Westchester, Delaware and Camden Insurance Companies
Miller, Chas E, Special Agent, Hartford Fire Insurance Company
Miller, W L W, Assistant Manager, British-America and Western Assurance Companies
Morgan, E C, Special Agent, Providence-Washington Insurance Company
Morgan, W O, Special Agent, Hartford Fire Insurance Company
Morrison, E C, General Agent, Aetna Insurance Company
Morrow, J H, Special Agent, Commercial Union Assurance Company
Murphy, Joseph A, Special Agent, Aetna Insurance Company
Nason, A G, General Agent, Continental Insurance Company
Niebling, E T, Manager, Commercial Union and Palatine Insurance Cos.
Nippert, Paul M, General Agent
O'Brien, H E, Special Agent, Aetna Insurance Company
O'Brien, J T, Special Agent, Royal and Queen Insurance Companies
Olney, P de S
Osborn, R W, Manager, Pennsylvania Fire Insurance Company
Palache, Whitney, of Palache & Hewitt, General Agents, Hartford Fire Insurance Company
Parker, D A, Special Agent, New Zealand Insurance Company
Parkhurst, H E, Special Agent, Commercial Union Assurance Company
Parrish, Edwin, Joint Manager, London and Niagara Insurance Companies
Patterson, W M, Special Agent, Union Assurance Company
Penfield, A J, with Atlas Assurance Company
Penfield B L, Special Agent, H R Mann's Insurance Agency
Perry, F J, Special Agent, Royal and Queen Insurance Companies
Pierce, D W
Porep, Walter P, Special Agent, Edward Brown & Sons
Potter, E E, Manager, E E Potter's General Insurance Agency
Potter, W W, Assistant Manager, E E Potter's General Insurance Agency
Potter, E G, Special Agent, E E Potter's General Insurance Agency
Quick, J R, Special Agent, Fireman's Fund Insurance Company
Quitzow, V H, Special Agent, Pennsylvania Fire Insurance Company
Quitzow, Chas, Special Agent, Home Insurance Company
Randall, H W, Special Agent, Christensen & Goodwin Agency
Raymond, W H, Special Agent, Liverpool & London & Globe Ins. Co.
Reed, James S, Special Agent, Connecticut Fire Ins. Co.
Richards, J H, Special Agent, German and Spring Garden Insurance Cos.
Rohrer, C W, Special Agent, London and Niagara Insurance Company
Roberts, Geo F, Special Agent, Phoenix Assurance Company

Robins, F C H, Special Agent, Northern Assurance Company
Rountree, R H, Special Agent, Liv. & London & Globe Insurance Co.
Rowe, E A, Special Agent, McNear & Wayman Agencies
Robins, L H, Special Agent, California Insurance Company
Sanderson, A G, Assistant General Agent, Aetna Insurance Company
Schallenberger, C A
Schoeneman, F J, Special Agent, North British and Mercantile Ins. Co.
Sexton, Wm, General Adjuster, Fireman's Fund Insurance Company
Shanklin, T C, Independent Adjuster, Portland, Oregon
Sheahan, J J, Assistant General Agent, Home Insurance Company
Sherrard, McKee, Special Agent, Fireman's Fund Insurance Company
Sifford, B A, Special Agent, California Insurance Company
Smedberg, W R
Smith, Benj J, Manager, Connecticut Fire Insurance Company
Smith, Frank G
Smith, H Brownson, Independent Adjuster, San Francisco
Smith, H H, Manager, Law Union & Rock Insurance Company
Smith, Roderick E, Special Agent, London & Niagara Insurance Co.
Smith, C W
Smith, Geo O, Special Agent, Insurance Company North America
Spaulding, M E, Special Agent, Hartford Fire Insurance Company
Speyer, Walter M, Jo[illegible]t Manager, New Zealand Insurance Company
Spinney, C S, Speci[illegible]rent, Fire Association
Staniford, F C, Sp[illegible]ent, Norwich Union Fire Insurance Society
Stewart, D L, S[illegible]nt, Royal and Queen Insurance Companies
Stewart, Neil, [illegible]gent, London and Niagara Fire Insurance Cos.
Stich, R G, Special Agent, Fireman's Fund Inssurance Company
Stovel, C J, Manager, Sovereign Fire Assurance Company
Stoy, Samuel B, Special Agent, London & Lancashire Insurance Company
Staniford, Geo F, Special Agent, Fire Association
Swan, Geo W, Special Agent, Commercial Union and Palatine Ins. Cos.
Swift, C A, Special Agent, Fireman's Fund Insurance Company
Thieme, Oscar
Thompson, Chas R, Special Agent, Fireman's Fund Insurance Company
Thomson, M H, Assistant General Agent, National, Colonial Fire Underwriters and Mechanics & Traders
Thornton, A W, Joint Manager, London and Niagara Insurance Cos.
Thornton, A C, General Agent, Prussian National Insurance Company
Thompson, E R, Special Agent, H. R. Mann's Insurance Agency
Tiedemann, T J A, General Agent, Michigan Commercial Insurance Co and President Fire Underwriters' Association

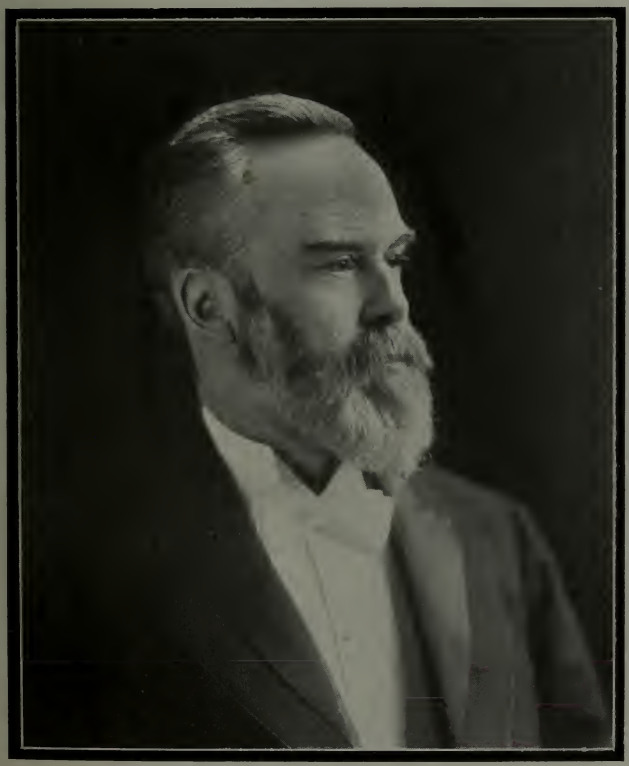
Tickner, H B, Special Agent, Fireman's Fund Insurance Company
Tomlinson, Percy, Special Agent, Home Insurance Company
Tower, Frank H, Independent Adjuster, Los Angeles, Cal.
Trumbull, J B, Special Agent, Franklin Insurance Company
Tyson, Geo H, General Agent, German-American, Phoenix and German-Alliance Insurance Companies
Urmston, J K, Special Agent, Royal and Queen Insurance Companies
Van Valkenburg, Chas, Special Agent, Edward Brown & Sons Agency
Von Tagen, Chas W, Special Agent, Connecticut Fire Insurance Co.
Waggaman, J L M, Special Agent, Franklin Fire Insurance Company
Walden, J B, Special Agent, Royal and Queen Insurance Companies
Wardle, Wm, Special Agent, Law Union & Rock Insurance Company
Watson, I S, Special Agent, Christensen & Goodwin Agency
Watson, Kenneth, of Bertheau & Watson Insurance Agency
Ward, C H, General Agent, Firemen's and Eastern Insurance Companie
Warner, J W, Special Agent, California Insurance Company
Waters, J N, Special Agent, Sun and Michigan Insurance Company
Watt, Rolla V., Manager, Royal and Queen Insurance Companies
Wayman, W O, of McNear & Wayman, Managers, National, Colonial Fire Underwriters and Mechanics & Traders Insurance Companies
Webber, J F R, Special Agent, Springfield F. & M. Insurance Company
Weinmann, Louis, Secretary, Fireman's Fund Insurance Company
Wellington George J
Wendler, Chas A, Special Agent, Edward Brown & Sons' Agency
Westlake, W B, Special Agent, Edward Brown & Sons
Weinmann, P R, Special Agent, California Insurance Company
Whelan, W D, Special Agent, Fireman's Fund Insurance Company
White, F G, Special Agent, Fireman's Fund Insurance Company
Whitmer, A W
Whitley, N B, Independent Adjuster, Seattle
Windus, W V, Special Agent, Catton, Bell & Co.
Wilkie, Andrew, Appraiser, San Francisco, Cal.
Williams, T H, General Adjuster, German-American, Phoenix and German-Alliance Insurance Company
Wright, A C, Special Agent, MacDonald & Miles Agency
Wyper, James, Manager, London and Lancashire Fire and Orient Insurance Co.
Young, E J, Special Agent, North British & Mercantile Insurance Co.
Young, Frank H, Special Agent, Springfield F & M Insurance Co.
Young, Walter H, Special Agent, Michigan Commercial Insurance Co.
Zwick, Wm F, Special Agent, Christensen & Goodwin Agency

HONORARY MEMBERS.

Bacon, E. H., San Francisco
Butler, Geo. E., San Francisco
Chard, Thomas S., Chicago, Ill.
Carey, Jas. A., San Francisco
Cofran, J. W. G., Hartford, Conn.
Dickson, Robt., New York
Donnell, S. M., San Francisco
Drew, Cyrus K., Denver, Colo.
DuVal, W. S., San Francisco
Driffield, V. Carus, London, England
Edwards, L. B., San Francisco
Grant, Tom C., San Francisco
Gurrey, A. R., Honolulu, H. I.
Heifner, C. G., Olympia, Wash.
Herold, Rudolph, San Francisco
Hitchcock, C. I., Louisville, Ky.
Laton, Chas. A., San Francisco
Marshall, John, Jr., Chicago, Ill.
Merrill, Wm. H., Chicago, Ill.
Mohrhardt, E. F., San Francisco
Mullins, C. F., London, England
McElhone, F. H., Chicago, Ill.
McKenzie, Lee, Seattle, Wash.
Neal, Robt. W., San Francisco
Nichols, Hon. S. H., Olympia, Wash.
Niles, Edward, New York
Piver, J. C., San Francisco
Porter, F. H., San Francisco
Robertson, Geo. N., San Francisco
Smith, A. D., Oakland, Cal.
Spencer, D. A., San Francisco
Stillman, Alfred, San Francisco
Stone, J. C., Portland, Oregon
Taffinder, W. D., San Francisco
Thompson, E. L., Portland, Oregon
Wilson, D. B., San Francisco
Wilson, John Scott, San Francisco
Williams, S. G., Denver, Colo.
Winne, Peter, Denver, Col.

San Francisco Addresses of the Officers of the Fire Underwriters' Association of the Pacific for the Year 1911

T. J. A. Tiedemann, President . . . . . 314 California St.
Guy Francis, Vice-President . . . . . 310 Sansome St.
Calvert Meade, Secretary-Treasurer . . . . . 558 Sacramento St.
J. P. Moore, Ass't Sec'y and Librarian . 939 Merchants' Ex. Bldg.
Frank C. Staniford, Chairman Executive Committee,
70 Fourth St., Portland, Oregon.
A. C. Thornton, Editor Knapsack . . . . . 240 Sansome St.
G. A. R. Heuer, Associate Editor Knapsack . . . 401 California St.
Association Library Room . . . . 939 Merchants' Exchange Bldg.



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PAUL MERRITT HENRY

Fire Underwriters' Association of the Pacific

OFFICERS FOR 1911

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Vice-President . . . . . Guy Francis
Secretary and Treasurer . . . . . Calvert Meade
Assistant Secretary and Librarian . . . . . J. P. Moore

EXECUTIVE COMMITTEE

Frank C. Staniford — T. J. A. Tiedemann
John W. Gunn — Russell W. Osborn
William Sexton
Guy Francis and Calvert Meade, ex-officio members

DINNER COMMITTEE

H. P. Blanchard — Willard O. Wayman

CALIFORNIA KNAPSACK

A. C. Thornton . . . . . Editor
G. A. R. Heuer . . . . . Associate Editor

Thirty-Sixth Annual Meeting

Of The

Fire Underwriters' Association

Of the Pacific



Held in San Francisco

California

January 9, 10,

1912

PROCEEDINGS

OF THE

Thirty-sixth Annual Meeting

OF THE

Fire Underwriters' Association

OF THE PACIFIC

SAN FRANCISCO, CAL., JANUARY 9–10, 1912

Printed by Order of the Association

1912

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Fire Underwriters' Association of the Pacific

OFFICERS FOR 1911

President . . . . . T. J. A. Tiedemann

Vice-President . . . . . Guy Francis

Secretary and Treasurer . . . . . Calvert Meade

Assistant Secretary and Librarian . . . . . J. P. Moore

EXECUTIVE COMMITTEE

Frank C. Staniford — T. J. A. Tiedemann

John W. Gunn — Russell W. Osborn

William Sexton

Guy Francis and Calvert Meade, ex-officio members

DINNER COMMITTEE

H. P. Blanchard — Willard O. Wayman

CALIFORNIA KNAPSACK

A. C. Thornton . . . . . Associate Editor

G. A. R. Heuer . . . . . Associate Editor

PAPERS READ AT THE 36th ANNUAL MEETING

of the

Fire Underwriters' Association

of the Pacific

Tuesday and Wednesday, January 9th and 10th, 1912

Morning Session, Tuesday, January 9

1. "The Garage, with Suggestions for its Construction and Maintenance,"
   By J. H. Morrow, Special Agent Commercial Union and Palatine Insurance Cos.

2. "Why Not 'Insurance and Fire Prevention Day?'"
   By Henry S. Dunn, Fire Insurance Society of San Francisco.

Afternoon Session, Tuesday, January 9

3. "Fire Insurance Upon the Continent of Europe,"
   By Victor G. Gollmick, Alliance Insurance Co. of London, London, Eng. Read by R. G. Medcraft.

4. "The Relationship of Local Boards and State Associations to the Board of Fire Underwriters of the Pacific,"
   By Will Stephens, Agent Palatine Ins. Co., Los Angeles, Cal.

5. "Common Electrical Hazards,"
   By M. E. Cheney, Electrical Engineer, Washington Surveying and Rating Bureau, Seattle.

6. "Merchandise Adjustment and the Handling of Salvage,"
By Geo. C. Main, General Adjuster, Seattle, Wash.

Morning Session, Wednesday, January 10

7. "Permits and Clauses: Their Use and Abuse,"
By T. H. Williams, General Adjuster German American and Phœnix of Hartford Insurance Cos.

8. "The Cotton Industry in California: Its Treatment from an Underwriting Standpoint." By McClure Kelly, Assistant General Agent Franklin Fire Insurance Co., San Francisco, Cal.

9. "Duties of the Fire Marshal,"
By Charles Towe, Fire Marshal, San Francisco.

Afternoon Session, Wednesday, January 10

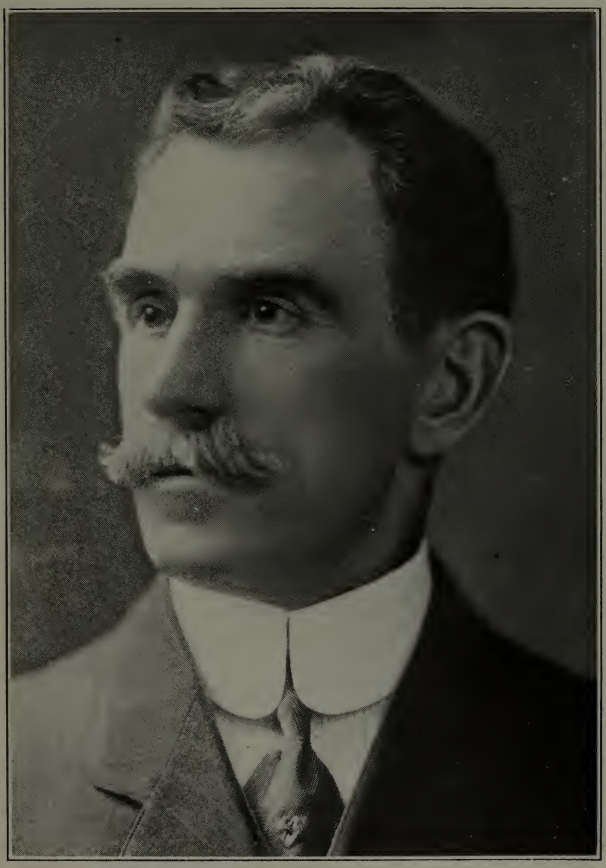
10. "Underwriting Associations or Bureaus: Their Value,"
By A. W. Ross, Sec'y Mainland Board of Fire Underwriters, Vancouver, B. C.

11. "Fire Waste—A Personal Responsibility,"
By E. C. Morgan, Special Agent Providence Washington Ins. Co.

12. "The Effect of Fire, Water and Smoke on a Dry Goods Stock,"
By C. E. Allan.

Election of Officers and Executive Committee.

Reading of the Knapsack, A. C. Thornton and G. A. R. Heuer, Editors.



T. J. A. TIEDEMANN

Manager Michigan Commercial Insurance Company
Franklin Insurance Company of Washington, D. C.
General Accident F. & L. Assurance Co. Ltd. of Perth, Scotland

Fire Underwriters' Association

OF THE PACIFIC

FIRST DAY

San Francisco, Cal., January 9, 1912.

The following members and guests were present at the annual meeting of January 9 and 10, 1912:

Agnew, F J
Allen, C E
Anderson, A C
Archer, R T
Atkins, F E
Austin, J E
Avery, F M
Banks, J H
Boylan, J
Barsotti, C L
Benner, Harry
Blanchard, H P
Brodenstein, E W
Boyd, R T
Boyer, Z M
Branch, F M
Brewer, L V
Brown, Arthur M
Brush, R G
Brooks, Geo W
Brownwell, W T
Brown, Frank
Brown, H H
Burke, H R
Burger, C H
Cartwright, A J
Case, F E
Crandall, J E
Crux, Geo A
Codding, Geo C
Cleveland, W W
Cobb, James F
Curtis, J F D
Cobb, Clarence
Davis, R H
DuVal, W S
Dearborn, Geo W
Dollard, R E
Dinsmore, H M
Driffield, V C
Dunne, Henry S
Eldred, E P
Elster, F H
Emery, R D
Farnsworth, E P
Fabj, R P
Fleming, E B
Folger, Roy
Frazier, W A
Francis, Guy
Fisher, I M
Fuller, J L
Fuller, John H
Fogarty, J T
Flack, E B
Flack, Sloan
Fortmann, W G
Folger, Clinton
Folger, Herbert
Gallegos, R
Goggin, G E
Gay, J R
Gray, Geo T
Gates, James
Greenwalt, C L
Gibson, Lee
Gilliland, Adam
Gibbons, W H
Giesy, A W
Gunn, John W
Gordon, H F
Hammond, J J
Houseworth, H
Hale, L M
Heuer, G A R
Hoadley, Geo O
Howard, J C
Heath, T S
Hewitt, E F
Hewitt, Dixwell
Irving, W

Jackson, A H
Johnson, Edw J
Johnsen, J E
Jones, A W
Kaltz, Bruce
Kelly, McClure
Kinne, C Mason
Knowles, E C F
Kenna, Jas R
Kuhl, Wm F
Lawson, W A
Lathrop, F A
Lowden, W H
Lowden, E K
Lloyd, W G
Lowden, W H
Manning, F J H
Mayer, F J Alex
Main, Geo C
Mason, J R
Meade, Calvert
Medcraft, R C
Mesick, S P
Miles, D E
Miller, W L W
Moore, J P
Morgan, W O
Morgan, E C
McCarthy, C V
McConnell, A C
McCune, E J
Mills, H F
Mendell, J M
Manwaring, C T
Mariner, G S
Miller, C E
Mitchell, C W
McKenzie, Lee
Neal, Robert W
Nelson, N L
Nippert, Paul
Niebling, E T
Olney, P de S
Osborn, R. W
O'Brien, H E
O'Grady, T F
Parker, D A
Parrish, Edwin
Partridge, F E
Page, H A
Prinsen, John A
Porup, Walter P
Perry, F J
Perry, P J
Piver, J C
Quitzow Chas
Quitzow, V H
Quick, J R
Raymond, W H
Roundtree, R H
Richards, J H
Ross, A W
Robertson, G N
Rogers, L B
Roberts, Geo F
Rosenblat, Gus
Robins, F C H
Sanderson, A G
Speyer, Walter M
Stovel, C J
Stoy, Sam B
Spencer, D A
Sessions, V P
Sexton, Wm
Stewart, D L
Spaulding, M E
Schoenemann, F J
Smith, C W
Smith, G O
Staniford, F C
Staniford, Geo F
Stephens, Will
Stone, J C
Schively, Hon J H
Thornton, A W
Thornton, A C
Tickner, H B
Tiedemann, T J A
Tower, F H
Van Valkenberg, Chas
Vincent, F O
Von Tagen, C A
Walbald, J H
Walden, J B
Wayman, W O
Weinmann, P R
Waggmann, J L M
Wright, A C
Wyper, James
Wellington, Geo J
Williams, T H
Windus, W V
Watson, I S
Watt, Rolla V
Wells, Harvey
Westlake, W B
Weinmann, Louis
Young, Walter H

The thirty-sixth annual meeting of the Fire Underwriters' Association of the Pacific was called to order at 10 o'clock a. m. of this day by the President, T. J. A. Tiedemann.

The President—I am glad to welcome you, gentlemen, and hope we may have a practical and helpful meeting. We will proceed immediately to the business of the session. The first order is calling the roll. Mr. Secretary, will you call the roll ?

The Secretary—I move, Mr. President, that the calling of the roll be dispensed with.

The motion was seconded and unanimously carried.

The President—The second order of business is the reading of the minutes of the last annual meeting. What is your pleasure, gentlemen ?

The Secretary—I move that that also be dispensed with. The proceedings of the last meeting were, as all of the members know, printed and distributed to the membership. It is therefore unnecessary to read the minutes.

The motion was seconded and carried unanimously.

The President—As the third order of business we will listen to the report of the Secretary and Treasurer.

The Secretary—First, Mr. President, I will read the financial report, which is as follows:

REPORT OF THE SECRETARY-TREASURER.

FINANCIAL STATEMENT.

RECEIPTS.

Balance in Bank of California, January 1, 1911		$ 398 62
Received for Annual Dues	$1,634 00	
" " 5 members Insurance Institute of America	10 00	
" " Initiations	90 00	
" " Insurance literature and keys	19 50	
" " Annual proceedings	57 60	
" " Dividends Fireman's Fund Stock	12 00	1,823 10
		$2,221 72

DISBURSEMENTS.

Paid rent of chairs	$ 7 20		
" Floral pieces	40 00		
" Stenographic report Annual Meeting	51 20		
" Subscriptions periodicals	29 30		
" Deficit annual banquet	196 90		
" Stationery, printing, binding and supplies	440 35		
" Librarian salary for 1911	720 00		
" Secretary " " "	100 00		
" Unit case	29 30		
" Framing 8 pictures	7 55		
" New books	92 00		
" Postage, telephone, express delivery and incidentals	85 85	1,799	65
Balance in Bank of California		$ 422	07

INSURANCE INSTITUTE OF SAN FRANCISCO.

Balance in Bank of California $125 55

Audited and found correct.

(Signed) GUY FRANCIS.

Active members, January 11, 1911	294	
Elected during the year	32	326
Deceased	5	
Resigned	7	
Transferred to honorary membership	2	
Dropped for non-payment of dues	9	23
Total active members January 10, 1912		303
Total honorary members, January 10, 1912		45
Total membership, January 10, 1912		348

PUBLICATIONS ON HAND AND PRICES FIXED BY THE EXECUTIVE COMMITTEE.

147	copies	1906 Annual Proceedings	$0.50 each
155	"	1907 " "	.50 "
139	"	1908 " "	.50 "
70	"	1909 " "	.75 "
63	"	1910 " "	1.00 "
133	"	1911 " "	.75 "
250	"	Buildings of Reinforced Concrete, Prof. Chas. Derleth	.25 "

152	"	Water Supply of Cities, Prof. Chas. G. Hyde . . .	.25 "
364	"	Measure of Manufacturers' Damage, W. H. Lowden	.25 "
265	"	Adjustments Old and New, E. Niles	.25 "
75	"	Insurable Interest, T. H. Williams	.25 "

I have fourteen delinquents, Mr. President. I presume the usual course will be taken, of thirty days' notice to be given them, and those not paying dropped for non-payment of dues.

The President—What is your pleasure in that respect, gentlemen?

Mr. Folger—I move that the usual course be followed, as suggested by the secretary.

The motion was duly seconded and unanimously prevailed.

The President—It is so ordered, Mr. Secretary. What further report have you to make?

The Secretary—I have the following proposals for active membership in the Association:

J. P. Yates, Special Agent London & Lancashire Fire Insurance Co.

George E. Townsend, Special Agent Ætna Insurance Co.

H. W. Sabin, Special Agent Atlas Assurance Co.

T. M. Gardiner, Treasurer Fireman's Fund Insurance Co.

C. D. French, Special Agent Fireman's Fund Insurance Co.

J. McC. Anderson, Resident Secretary North British & Mercantile Insurance Co.

Paul A. Normand, Special Agent Home Insurance Co.

C. S. Myrick, Special Agent Liverpool & London & Globe Insurance Co.

J. R. Mason, Independent Adjuster, Seattle, Wash.

J. E. Austin, Independent Adjuster, Seattle, Wash.

Percy J. Perry, Special Agent London & Niagara Insurance Company

F. W. Hosmer, London & Niagara Insurance Companies

Thomas S. Heath, Special Agent London & Niagara Insurance Co.

Z. M. Boyer, Special Agent Michigan Commercial Fire Insurance Co.

Harvey Wells, Special Agent Geo. H. Tyson's General Agency

E. F. Hewitt, Special Agent Geo. H. Tyson's General Agency

H. M. Dinsmore, Special Agent Geo. H. Tyson's General Agency

F. O. Vincent, Special Agent Geo. H. Tyson's General Agency

W. T. Burwell, Special Agent Geo. H. Tyson's General Agency

Clifford Conly, Geo. H. Tyson's General Agency

John A. Prinsen, General Agent Prussian National Insurance Company

H. A. Nauman, Manager American Union Fire Insurance Co.

A. J. Chapman, Manager American Union Fire Insurance Company

A. C. McConnell, Special Agent Pennsylvania Fire Insurance Company

F. A. Lathrop, Special Agent Pennsylvania Fire Insurance Company

T. F. O'Grady, Special Agent Fire Association

H. R. Wickler, Special Agent Westchester Fire Insurance Co.

Samuel Simmen, Special Agent Fireman's Fund Insurance Company

Noah L. Nelson, Special Agent Law Union & Rock Insurance Company

Louis Halford Earle, Special Agent Hartford Fire Insurance Company

F. E. Partridge, Independent Adjuster, Realty Bldg., Spokane

C. R. Parmenter, Special Agent Christensen & Goodwin

The President—Gentlemen, you have heard the reading of the Secretary-Treasurer's report. What is your pleasure ? I think

before taking a vote on it, it should be divided into two parts, following the custom in previous years.

The Secretary—Will you permit me one moment, Mr. President? I have the resignations here of Mr. John H. Burgard, of Portland, Mr. William Maris, whose resignation I may say, goes back to November 15th, and Mr. C. S. Spinney.

The President—What is your pleasure with reference to the list of members tendering their resignations, as just read by the secretary?

Mr. Folger—I move, Mr. Chairman, that their resignations be accepted.

The motion was seconded and passed unanimously.

The President—Now what will you do with the Secretary's report?

Mr. Folger—I move that it be referred to the committee to be hereafter appointed upon the President's Address.

The motion was seconded and carried unanimously.

Mr. Gunn—I move that the Secretary cast the ballot in favor of the election of each of the applicants whose names have been read by the Secretary as applying for membership, as members of this Association.

The motion was seconded and unanimously prevailed.

The Secretary—The ballot is cast, Mr. President, in favor of each of the gentlemen whose names were read as applicants.

The President—It is my pleasure to announce, that the gentlemen whose names have just been proposed for membership in the Association are elected as members.

Mr. Herbert Folger—Mr. President, I have the honor, applications having just been submitted for election for active member-

ship in our Association, to suggest the names of two men for honorary membership in the Association, Mr. Charles D. Haven and Colonel C. Mason Kinne, the retiring officers of the Liverpool & London & Globe Insurance Company. As to the second named I refrain from making any comment at this time, for the reason that before this annual meeting closes, it is purposed to show special honor to Colonel Kinne, than whom no member has been more faithful in attendance or more earnest in work for some thirty · five years. As to the first named, I am not willing, as one of those who have come under Mr. Haven's personal influence, to allow him to retire from the post he has so long and honorably held without special comment. In times of trial in our business, the men who come to the front are not necessarily the most brilliant or those who make the most noise, but rather those who for sound reasons, possess the confidence of their associates. During storm and sunshine, and particularly since the close of the Rate War in California in 1897, Mr. Haven presided over the deliberations of his associates with justice and marked discretion, although long past the age when men are expected to carry such burdens continuously. At a recent banquet in his honor, deserved recognition was given to his faithful service to the companies as a whole; but in this Association of men so much younger, it is fitting to refer to his strong personal influence over his associates, and the example set for us to follow, which has guided us more than we realize.

I mention Mr. Haven in these terms, Mr. Chairman, believing that it is best for us that the qualities of truth and force and judgment and patience and honesty, which he so markedly possesses, shall be made conspicuous, and shall not be lost sight of in this great business of ours. (Applause.)

Mr. Weinmann—I second the motion, Mr. Chairman.

The President—The remarks of Mr. Folger are exceedingly well timed and appropriate. With reference to Mr. Haven, it might be noted that he read here only two years ago, as I recall, a

very able paper, and one that we can all afford to look back to and be guided by. I am very glad, indeed, that Mr. Folger has presented the names of these gentlemen for honorary membership in the Fire Underwriters' Association of the Pacific, and, the nomination having been seconded, I will ask you all to rise and signify by standing on your feet, the election of these two gentlemen to such membership.

The election was made unanimous by standing vote.

Mr. A. W. Thornton—Mr. President, I would like to suggest for membership in this Association the names of some men who should be active members of our Association, since they are actively engaged in some branch affecting or connected with the underwriting business. The only reason they have not heretofore been active members of our Association is that under our constitution they are ineligible to such membership. In that connection, I would like to throw out a suggestion to our executive committee that there be some change made under which such men could be made active members of the Association, making the provision a little more elastic in that connection. If that can be done, these gentlemen may eventually be placed upon our active list. But for the present I want to nominate them for membership upon our honorary roll. The names I have in mind, Mr. President, are these:

A. W. Ross, Board Manager, Vancouver, B. C.
T. C. Coogan, Attorney, San Francisco
H. T. Granger, Attorney, Seattle, Wash.
W. F. Keene, Manager Examining Bureau, Seattle, Wash.
H. R. Page, Board Manager, Victoria, B. C.
James N. McCune, Manager, Portland, Or.

Mr. Folger—I second the nomination of the gentlemen named.

The President—The nomination of the gentlemen whose names you have just heard read, has been duly seconded, and the question is now before you for discussion, and the door is open for

a very free discussion of the matter. After having given some thought to this subject, I think, as Mr. Thornton says, that we should make this rule as to eligibility of membership a little more elastic. As it is now, and I was thinking of it only yesterday, some of those who have served in our business for over twenty years, you might say as chief clerks and directing special agents, are ineligible to become members of the Association, whereas, special agents who have only in some instance, possibly, been but a year in the field, are eligible. I am very glad Mr. Thornton has suggested the change in our constitution under which this may be accomplished. The motion is before you for discussion, if you wish to take it up.

Mr. Thornton—Permit me to suggest, Mr. Chairman, that we might proceed to a ballot upon the men whose names are given in this list, and then a motion might be introduced to the effect that the Executive Committee should proceed to make some change in our constitutional provision.

The President—You have heard the motion that these gentlemen whose names have been read by Mr. Thornton, be made honorary members of this Association.

The motion unanimously carried.

Mr. Folger—With reference to the other suggestion, Mr. President, the constitution requires that a change in its wording shall be made by an amendment proposed at a regular meeting and adopted at a subsequent meeting. I ask that Mr. Thornton have this recorded as his notice of a proposed amendment which may be made either by himself or by the Association.

Mr. Thornton—I will put my suggestion, as stated by Mr. Folger, in the form of a motion.

Mr. Gunn—We might add to that "the heads of departments." We have some very fine men for our heads of depart-

ments, and some of them getting twice as much compensation as an ordinary special agent, and particularly the older men, who have perhaps been twenty-five or thirty years guiding the affairs of the office.

Mr. Thornton—I don't think it is necessary to incorporate that as an amendment to the motion. The matter can be taken up at any time and the resolution may be made to conform to Mr. Gunn's idea as stated. All that is necessary now is that notice be given, which has been done.

The President—I understand that you are willing, Mr. Thornton, to leave that to the committee. Is that satisfactory to Mr. Gunn as well?

Mr. Gunn—Yes.

The motion unanimously prevailed.

The President—Next upon our order of business is the report of the librarian. I will ask Mr. Moore, our librarian, to read his report.

LIBRARIAN'S REPORT.

J. P. MOORE.

Mr. President and Gentlemen:

As your Librarian I am expected to report on the progress, condition and needs of the Library.

As to the progress I may say that the additions by purchase and by donation have far exceeded those of any previous year. Among the valuable works purchased are the 24 volumns of the New International Encyclopedia.

Through the kindness of the Liverpool & London & Globe Ins. Co. we were made the recipients of that valuable collection of the Journal of the Ins. Institutes of Great Britain and Ireland comprising 13 volumes.

The list of books, pamphlets, etc., received during the year from different donors I will not now occupy your time to read.

The average attendance of persons using the library has never been so large.

I have taken pains to note a few of the many things called for in order to give you some idea of the use to which your library has been put.

In the department of law it has been consulted 50 times by nearly as many persons. It would be much more used if we had a Digest of the Insurance Law Journal.

In the Department of *Fire Hazards* there has hardly been a day that we have not been consulted on some of the following questions:

Acetylene Gas, Beet Sugar Factories, Breweries, Canning, Chemicals, Cleaning and Dying Works, Cotton Spinning, Electrical Hazards, Fertilizer Works, Fish Scraps, Fireless Cooker Hazard, Foundries, Packing houses, Phosphates, Printing and Lithographing, Storage Warehouses, Woodworking Establishments, etc.

These are a few of the many hazards that have been studied in books from our shelves. We have had three students of Building Construction and Building Laws. Works on Adjustment, Schedule Rating, Policy Forms and Clauses and the History of Early Insurance in California, have been in demand.

This may serve to indicate to what extent your library has been called upon. It cannot be expected that men as busy as you all are, can find much time to devote to the literature of your profession. Your interest is for specific things, a hazard or some process, or the decisions on some particular case, or the business transacted by the companies, or their loss ratio. There your interest ends. I am glad, however, that you are not all like the manager of one of our large companies, who, when I asked him to visit the library, said to me, "I have no use for books. I know all that is necessary without bothering with books."

But if you as managers can not give any more of your time you can at least encourage the growth of the library for those who *can* use it, and who are soon to fill your places. I have now been with you for several years, and I have tried to study the needs of the library.

As long as there are buildings, or ships, or lives, so long there will be need of insurance. There will be too, an insurance literature. The Board of Underwriters may be legislated out of existence. This Association, in the centuries to come, may cease, but insurance never as long as men live. Looking at the matter in this light I wish to say to you that as long as the library is, as at present, it will fall short of being what it should be, *the* great insurance library of this Western Coast.

To meet the demands that are coming ere long, the library should be put on a firm basis. It should be at once incorporated; call it, if you will, "The San Francisco Ins. Library Association," but give it an existence as

an organization which can solicit and receive donations, whether of books or funds. As it now is there is no board of directors to whom such donations can be legally made. A library duly incorporated can be made the custodian of books, can receive bequests. It goes on forever, unmindful of the existence of your, or any association or board.

It can then be open as an insurance library to any man engaged in the business of fire insurance. Its books need not be then shut up, as at present, to those only who are members, or associate members of your Association. The Executive Committee of your Association may be members of its Board of Directors. It will not make it any the less *your* library, but it will greatly enlarge its scope and usefulness. To it you may still give your best endeavors, may contribute your own valuable insurance library at the time of your death, or may leave it funds for its future growth. All this with the feeling of security that your books or donations will be cared for, and under legal protection.

Follow the plan pursued by the Ins. Library Association of Boston. If they could establish such a library as they now have, the largest insurance library in the world perhaps, why may not we, on this far off Coast, at least emulate their example, in the hope that, with the energy for which we are now proverbial, we may be able to point to our library as a second to, if not an equal of theirs.

In conclusion permit me to quote from that most interesting and suggestive address of Mr. Henry E. Hess, delivered before the Ins. Library Ass'n of Boston, Dec. 3, 1909. In speaking of the future of that great library he asks this question: "What shall it show one hundred years from now? My answer is, it will show just as much as your regard for it, and your support of it, passed on and increased from generation to generation will provide. Did it ever occur to you that every man owes something to the business in which he spends his life, and from which he makes his living? Did you ever stop to think over and admire the way in which the members of the Ancient Guilds upraised their respective crafts until they obtained a dignity which even the Crown had to respect? Do you realize what vast sums have been and are administered by the Guilds of Europe even to this day—funds based upon bequests received from members who died years, or generations or centuries ago? In London there are today Guilds founded long before Columbus discovered America, like that of the Weavers, in 1164; the Parish Clerks, in 1232; the Saddlers, in 1280; the Fishmongers, in 1284; the Goldsmiths, in 1327; and the Grocers, in 1345. They are still very important corporations, chartered by the Crown, administering great trust funds, and doing much good. Don't you feel sure that when

a man is chosen to membership in one of those ancient and honorable Guilds his pride in his trade or craft is justified before the world?

"Why shouldn't this Library Association represent your Guild, and why shouldn't it some day possess a building of its own where the names of those who helped to build it shall appear carved in the solid stone? Is that sort of thing any more impossible for us than was a great university to John Harvard when in 1638 he made his bequest of 750 pounds in money and 300 books? Is there not as good a reason for you to contribute to such a memorial as to a church or a lodge or a charity?

"Which means the most in your lives, the church you go to once a week, the lodge you meet with once a month, the charity which you probably never see at all, or the business which gives you your daily bread, and to which you devote every working day of your lives? Are not the friends you make and keep in that business worth as much to your happiness as those you make in other directions?

"Do not the struggles and successes of your daily work count for as much in the upbuilding of character and the developing of manhood as do your amiable experiences at the club or in the parlor? The progress of the world is represented by the sum total of human endeavor; but in that sum total of human endeavor every individual counts and has its place. Why should we not be glad to associate our names and our help with the founding of a library representing a record of the thought and labor and aspirations of the business in which we spend our lives?" (Applause.)

Mr. Gunn—Mr. President, I sincerely hope that the Librarian did not wish to invite the members of this Association to abandon their weekly church going to be in attendance at the library.

The President—That can hardly be the import of it. The Librarian's report, gentlemen, is to me a most interesting one. His suggestion that we attempt to create an incorporated library is something that we ought to consider, and I hope that the members of this Association will give it the consideration that in my opinion it should have. There is no reason in the world why our library should not be increased, and built up; and, as Mr. Moore has so well said, become the great insurance library of the West. If Boston can do it, I do not see why, with the energy and pluck that the people have so often shown on this Pacific Coast, it cannot be done here. There certainly is a field here for it, and I

think it should be given support. I think we would receive regular subscriptions to it. And, summing it all up, I look at it as Mr. Moore does, that, once launched, it would continue to build up and increase in popularity. I hope the membership of this Association will give the subject due consideration. If any member has anything to say upon the subject, I should be very glad to hear it at this time. If not, I will ask your pleasure as to the Librarian's Report.

The Secretary—I move that it be taken under consideration by the committee to be hereafter appointed to report on the President's Address and the report of the Executive Committee.

The motion was seconded and unanimously carried.

The President—The next order of business, gentlemen, is the reading of the report of the Executive Committee. Mr. Staniford is the Chairman of that committee, and I will ask him to read its report.

REPORT OF THE EXECUTIVE COMMITTEE.

To the Fire Underwriters' Association of the Pacific:

Your Committee had hoped to accomplish much good for the Association during the year that has passed, but owing to the serious and long continued illness of the Chairman, the recommendations made in the President's Address last year have not been acted upon. The retiring committee, while not disposed to leave its unfinished duties as a legacy to the new committee, will not object if it desires to consider the recommendations referred to and put them in force this year.

The accounts of the Secretary-Treasurer have been audited and found correct. There is a balance of $422.07 to the credit of the Association in the Bank of California, being an increase of $23.45 over last year, and $125.55 to the credit of the Insurance Institute of San Francisco.

Your Committee has considered the relation of the Association's income to the expenditures and finds itself unable to submit any practical plan to increase the one or reduce the other.

Various plans have been discussed for the reduction of the deficit incident to the annual dinner, and the decision was reached that this problem

could best be solved by leaving it in the hands of the dinner committee without criticism and with an expression of our appreciation of the services of this committee and our confidence in its ability to eventually find a way out of this rather difficult situation.

We suggest that whenever a member change his address that he notify the Secretary at once.

(Signed) F. C. Staniford, Chairman,
T. J. A. Tiedemann,
John W. Gunn,
R. W. Osborn,
Wm. Sexton.

The President—Gentlemen, you have heard read the report of the Executive Committee. What shall be done with it ?

Mr. Fuller—I move that it be referred to the special committee to be hereafter appointed, and placed on file.

The motion was seconded and unanimously prevailed.

Mr. Blanchard—Mr. President, a question was brought to the attention of the dinner committee yesterday and this morning, as to whether or not automobile special agents should be incorporated as eligible to membership in the Association. We have in our own office, the Fireman's Fund, an automobile special agent, and I know of several other offices where the same is true, where specials have been taken over and transferred into the automobile department. They still stand as members of the Association. As an automobile special agent there is considerable auxiliary fire work, it is my opinion that he should be and is eligible to membership in this Association. But, in order that we may have a correct understanding of this matter, so we will not be subject to criticism in assigning places at the banquet to-morrow evening, I would like to hear some definite opinion expressed, and something arrived at, in order that we may be set right in the matter. My own opinion, as I say, is that automobile special agents should be considered eligible, as they, all of them, do considerable auxiliary fire work.

Mr. A. W. Thornton—I suggest that the dinner committee be instructed or requested to resolve the doubt in favor of the automobile specials, pending the action of the Executive Committee on the proposed change in our constitution relative to membership. I make that in the form of a motion, in fact.

The Secretary—I second the motion.

The motion carried.

The President—The next order of business is the reading of the President's annual address. I will ask Mr. Francis, our vice-president, to take the chair during its reading.

At this point Vice-President Francis took the chair.

PRESIDENT'S ADDRESS.

Gentlemen of the Association:

It is now over one-third of a century ago that the Fire Underwriters' Association of the Pacific was organized, and I wish to assure you that I esteem it an honor and pleasure to welcome you to-day, on behalf of the Association, to its thirty-sixth annual meeting.

It is, perhaps, a little too early for all of you to know definitely the result of the past year's operations, but I trust that it has been favorable and that congratulations will be in order; the more so, if in view of the many trying disadvantages under which we have labored, the record of the Pacific Coast has been maintained, again affording opportunity for favorable comment upon this territory as a profit producing field.

I had earnestly hoped that in the printed proceedings of this meeting, there would appear no reference to the loss through death of any of the members of this Association during the past year. In this, however, I have been disappointed, for it has pleased the Almighty to call seven of our members from our midst, and I deeply regret that it becomes my duty to record the names of those who have answered the final summons: James D. Bailey, J. J. Kenney, Col. W. R. Smedberg, H. Brownson Smith, Leslie Lord, and D. B. Wilson.

These members of our Association have finished their life's work, they have run their race and are now free from the worries and cares of this world. We greatly mourn their departure, yet our cloud of sorrow is

brightened by the belief that they have but passed from this earth to another and happier world. They are gone, but not forgotten, and our kind remembrances will continue through future years.

OUR ASSOCIATION.

A review of the work of the Association is best gathered from the reports of the Secretary and Librarian, and the committees appointed at the last annual meeting. It is a pleasure to inform you that the affairs of the Association are in a satisfactory condition, although it is to be regretted that our treasury funds are not greater, and the prospects of increasing them not more promising.

The subject of our finances is, in my opinion, one of the most important matters which this Association has to consider. I am prompted to refer to this feature of our affairs, because I believe, that in anticipation of the forthcoming unusual events soon to be added to the history of our city and state as a result of the completion and opening of the Panama Canal, we should prepare, well in advance of the year 1915, to perfect arrangements for the holding of a World's Congress of Fire Insurance Associations in San Francisco at that time, and preferably on the occasion of the annual meeting of this Association. Preparations for such a convention will require careful planning, and it is apparent at the outset that the preliminary duties in the work of organization are many and important, and should be taken up at once, provided the carrying out of the project meets with the approval of this Association.

Having broached the subject, and in order to ascertain the views of the members regarding it, I invite free discussion of the matter, so that in event of its being favorably considered, immediate action can be taken for the naming of committees to direct the preliminary work essential to successful organization and operation. If the proposed plan meets with your approval I am of the opinion that the first important matter to be considered, is in respect to increasing our present bank balance, or the creating of a special fund for the purpose of defraying the expenses incident to carrying our purpose to a successful issue. This would probably have to be done by assessment, and, if so, it would appear to me that the most expedient method would be for the Finance Committee to commence assessing members of the Association at the earliest moment after the committees have been appointed, and to continue the assessments at regular intervals up to the time of the meeting in 1915. If we adopt this method, the tax upon each member would be spread over a period of years, thereby making the call less onerous and insuring easier collections than would be the case if the full amount was called for in the last year, when we might meet with refus-

als, which could not but seriously handicap the committees and disarrange the plaus which were had in contemplation.

LIBRARY.

This most valuable adjunct, so necessary in connection with the aims and purposes of this Association, but apparently little considered by members, is, I am pleased to say, in a more satisfactory condition than last year, evidencing the fact that each year is gradually adding to its efficiency and importance.

The report of the Librarian is of much interest, and, while indicating progress and improvements, clearly suggests a broader scope for its use. In this respect I fully concur with the views of ex-President Staniford, that in order to produce the best results from our library, we should not restrict its use to members of this Association only. I also fully endorse his suggestion that a new index to the proceedings be prepared, and that a synopsis of the subject matter, with a list of our books, be printed and distributed, at the discretion of the Executive Committee.

I advocate this action on the part of the Association, for if we should decide to favorably consider the scheme, so ably outlined by our Librarian in his report, which is practically the incorporation of our library, this very essential and important work should be given immediate attention and completed at the earliest moment, for its value, when considered in connection with the library as suggested by Mr. Moore, is inestimable.

In the event, however, of the decision, determined by vote, that as an association, we are not in favor of the idea advanced by our Librarian, and that further consideration of the matter of incorporation be declined, I would urge that no time be lost in adopting some plan whereby an income will be derived for the maintenance and improvement of the library.

In this connection I refer to the remarks made by Mr. T. C. Coogan in his speech at the dinner following the annual meeting of this Association in 1909, wherein he advocated the collation by this Association of data bearing upon events of interest to the insurance world, which transpired as a result of the conflagration in our city in April, 1906. I feel sure that you will all agree with me that if this Association could direct the compilation of such a history, its value to the Association from a literary, as well as an income point of view, would be considerable, for such a work would find immediate and continued sale, and the returns soon dispose of the cost of publication, with possibly handsome profits to the Association. In any event, I sincerely trust our members will give the library and its finances their most earnest consideration.

The growth of our business brings in its train many new features, necessitating special literature, and the employment of qualified men for the preparation of schedules for rating, and inspection of the inherent hazards of these new branches. Principal among these is that of the automobile and the automobile garage. Statistics of this branch of our business are practically nil. Still, owing to so many companies having recently engaged in it, and associations having been formed to govern the writing of this class of business, it is not unreasonable to suppose that authentic literature will soon be available, and as rapidly as possible added to our library.

Another hazard new to us on the Pacific Coast, but which will in the near future require our attention and the preparation of special measures for writing a business now so rapidly developing in the state of California, is that of cotton. The possibilities of this new industry in our State may not have suggested itself to many of you, nor the importance that it will bear to fire insurance companies and Pacific Coast departments from a premium income point of view. I do not hesitate to predict that within five years the value of this product from the California fields will be represented by millions of dollars, and will continue to show a growth and development similar to that of the wonderful oil industry in this state. Papers on these two most important and interesting subjects have been prepared by members of this Association, who are qualified, through experience, to write upon them, and they will be read to you at a later hour.

FIRE INSURANCE SOCIETY OF SAN FRANCISCO.

I should consider it very remiss on my part, and wholly unappreciative of the great value of this Society, and the benefits to be derived therefrom by its members, were I to neglect to make any reference to it in my remarks. Regular meetings are held in its commodious quarters in the Buckbee building. Since its organization this society has increased its membership to 323 members.

During the past year the society was addressed by several of our own members. These meetings were largely attended, and the lectures listened to with marked attention. A commendable feature of the work of this Society, during the year, was the writing of papers by its members, in competition for the handsome cup donated by Col. C. Mason Kinne for the best essay on any subject pertaining to the fire insurance business. After careful consideration the committee chosen to pass upon the papers, decided in favor of the one submitted by Mr. George Yocum, in the Department Office of Messrs. McDonald & Miles, who chose for his subject "The Endorsement," and he was awarded the cup. Other papers of excellent

merit were submitted by Mr. P. S. W. Ramsden of the Royal and Queen office, and Mr. F. J. Peck of the Liverpool & London & Globe Insurance Company.

Should the preparation by members of the Society of competitive papers become an annual event, I would suggest that the successful writer be asked to read his paper at the annual meeting of this Association, and that publication of it in any paper or journal, be withheld until after our meeting, when it could be included in the annual printed proceedings of this Association. Such action on our part would tend in no small degree to encourage the young men of the Insurance Society to take additional interest in the affairs, not only of their own organization, but also in those of this Association.

INSURANCE INSTITUTE OF AMERICA.

While our Association is a member of the Insurance Institute of America, I regret exceedingly to learn that less progress has been made by our branch, than by similar branches in cities where affiliations with the Insurance Institute are maintained. Greater interest must be taken in this if we wish to avail ourselves of the benefits to be derived from their teachings, as well as from the examinations which are held each spring.

Mr. Edward R. Hardy of New York City, Chairman of the Committee on Insurance Examinations, in his report states that in the first year of the examinations in Great Britain, which were begun by the Institute of England and Ireland in 1900, one hundred and twenty-nine candidates presented themselves, and of this number one hundred passed successfully. Believing that it will be of interest to our members to know the nature of the questions submitted by the Examining Board, I quote a few of them, taken at random from the list furnished by the Committee on Examinations in New York City:

1—Give a list of the most important roofing materials in the order of their desirability from a fire protection standpoint?

2—Describe briefly a standard fire door?

3—What is a valued policy, and what, in your opinion, are the economic and moral objections thereof?

4—Describe the essential points of difference between stock and mutual companies, and draw your conclusions as to the relative merits of the two systems?

5—Why is an agreement as to rates between companies a factor of safety for both the companies and the public?

6—Define the co-insurance or reduced rate clause, and state your reasons for its being an essential and justifiable feature in the determination of a proper rate?

7—State briefly the difference between the common and special hazard of a risk?

8—Would you consider a stock of millinery goods hazardous or non-hazardous? Why?

9—How should water, steam and gas pipes and electric wires be carried up through a building?

10—The president of one of the companies represented in your office has written a letter of severe criticism because of the delay in forwarding three important daily reports to his office. Write a suitable letter of explanation and apology.

On perusing these questions I was greatly impressed with their importance to the young men in our business, and I am sure that I could not offer any better advice to them than that they become interested in this opportunity for education and proficiency in the details of this great business of ours, which in magnitude is, perhaps, second only to that of railroading.

If we are to educate our public, and enlighten them on the fire insurance business, there can be no better nor surer method, for the young men engaged in this profession to prepare themselves for participation in this undertaking, than to take advantage of the splendid schooling offered through the medium of the Pacific Coast branch of the Insurance Institute of America.

Those who aspire to become special agents, I cannot urge too strongly to take up the Institute work, prepare themselves for the examinations, and so acquire that valuable knowledge essential in fitting them to impart it to others. I claim a special agent should be so schooled and fitted for a field position; for he is the one man of all men who, in my opinion, can do more along educational lines, and give more publicity to our business, than perhaps any other person engaged in it.

In support of my contention, I argue that a special agent, if he is fully qualified to do so, should, after appointing an agent, take such time as is necessary to teach the new representative tariff rating, the writing of policy forms, endorsements, etc.

It is a fact, that as a result of keen competition for business, the educational feature of our profession, as relates to field work, has to a great extent been neglected, in our anxiety to more readily add to our premium income. In other words, while we are advocating publicity, we are, by our drive for income solely, working contrary to our expressed aims.

Appointments of agents who know little or nothing of the fire insurance business are not conducive to its best interests. Neither are they in the main, productive of results from an income point of view, and, lacking the

necessary coaching, there is certainly a loss of material with which to strengthen our ranks in respect to the publicity feature of our business.

In brief, an agent, who, after having been appointed to represent a company, is left to educate himself and solve the many complex problems to be found in our books of tariff rates, is placed in an unjust position and lacks confidence to solicit a risk, particularly on a new building where a tariff rate, based upon an undetermined occupancy, would temporarily have to apply. The result is, that he either does not solicit the risk, or, if he does, fails in his attempt to secure it by reason of his inability to intelligently discuss the subject with the owner.

To exemplify this, I will cite a personal experience where an agent in one of our largest cities, was asked by a customer who entered his office, to quote a rate on a frame store building in a frame range, and submitted a diagram of his property. The agent examined the diagram, and told the visitor that he did not like the looks of the block, and would not care to write the risk offered at less than a 10 percent rate. The owner replied that 10 percent was too heavy a tax, and, provided that he could not do better, he would elect to carry his own insurance. He then asked what the exact rate was. Tariff had to apply. Seeing that the agent was unprepared to answer the question, and was somewhat embarrassed, I asked permission to see the diagram, also a book of tariff rates. Applying the charges as given in the book, I figured the rate at being 8.90 and so informed the owner. This was more than he cared to pay, however, and he left saying he would probably carry his own insurance. Immediately after the stranger had gone, the agent asked me how I rated the building and block. In turn, I asked him if he could apply the tariff rate to buildings. To my great surprise he said he could not, and as a result had lost many risks.

What he regretted most, however, was that as a result of his lack of knowledge in this respect he had been unable to take advantage of the many golden opportunities that had presented themselves during his experience in the business, of not only correcting false impressions which people had concerning it, but also of explaining the method of computation of rates. At the time of our conversation this person had been twenty-three years a local agent.

We have local boards, which are maintained at considerable expense to the companies, and yet I will venture the opinion that there is not one person in a thousand who is aware of the import of them and the value they are to property owners; particularly those who contemplate erecting buildings. By calling at the office of the local boards, they can secure information and suggestions concerning the construction of their buildings,

that would be of the greatest moment in assisting them to determine the details of construction. The proposed cost of these buildings might be from $100,000 to $1,000,000, and the saving effected annually to the assured on the insurance carried thereon, as a result of this information given him gratis by the board, would amount to quite a sum.

It is apparent, therefore, as indicated above, that we could very readily, by a little more publicity, convince the general public that our board offices are not the headquarters, as is claimed, of the so-called Insurance Trust, but rather centers for disseminating useful and valuable information. In connection with our board is the Fire Underwriters' Inspection Bureau. The work of this bureau is of the greatest value to the companies, and, I believe, could very readily be made of equal interest to the business public.

I endorse an idea recently advanced, that the more material portions of the annual report of the bureau, should be placed upon the tables of Boards of Trade, Commercial Clubs, etc., in all the cities affected by the inspection. I would go further than this, however, for after having carefully considered the matter, I incline to the belief that the portion of the annual report of the bureau referred to, would appeal to business people generally, with the result that they would subscribe for the work. In this way we could, in a measure, accomplish two purposes; that of aiding the publicity feature of our business, and deriving a revenue from the subscriptions that would probably more than offset the cost of collating the data and publishing the report.

OUR BUSINESS.

The year passed may go down in our history as one not productive of the best results from an underwriting or expense point of view, although the Pacific Coast once again appears to have been like the oasis of the desert—the one fruitful spot. Aside from the fact that reports indicate a generally unsatisfactory year, I venture the opinion that the expense ratio was increased rather than decreased.

While unjust state and county laws are, in a measure, responsible for this condition, there is much that can be attributed to the companies. Conservation of the interests of the companies seems to be forgotten more and more each year, a condition brought about by the greed for greater premium income, and a desire to pass the other fellow. Instead of our heeding the lesson that has been taught us regularly and continuously each year for many years, the destruction of enormous values in property by fire, and the imperative need to conduct our business with more consideration for economy, with the view of improving conditions and better conserving our interests, we appear to act contrary to these object lessons and to our teachings, and, casting caution aside, gradually become more and more

liberal, not only in permitting brokers to insert clauses in the written portion of, or in the slips attached to policies, which clauses supercede the printed conditions of the policy, but to further compromise our position, we sanction the payment of increased compensation.

This is the action of the companies, and when we consider the ever present charge that the expense of conducting our business is unwarranted, I think, at times, there is good reason for attempting to bring fire insurance under state supervision.

The business of fire insurance is crudely pictured in the ordinary mind as being that of the receipt of large premium income, produced through the charging of arbitrary rates not based upon experience nor any well defined or authentic formula or schedule, and the payment of losses representing but a small percentage of the premiums collected. The difference, by assumption, representing an unjustifiable profit to the company.

Perusal of the annual statements of companies would not tend to correct these ideas, nor convey to the general public that expense, undeniably excessive, and the greatest problem in our business to overcome, enters so largely into the actual workings of fire insurance companies. From minds so prejudiced by these false impressions, springs that antipathy that tends to continually harass the companies. At nearly every session of the legislature some of its members believing they have a clear mission to afflict the insurance companies with unjust and burdensome legislation do not hesitate to do so. The outcome cannot help but impede the progress of the companies, and tend in no small degree to force the retirement of new and smaller ones from the field. This is to be deplored in view of the fact that the business of the United States—immense in volume and rapidly increasing—requires additional companies to give protection to the assured, and cover the ever widening field of fire insurance.

With these conditions so apparent, and the situation gradually but steadily growing worse, should we not heed the warning and sincerely attempt, by prompt action, to head off the impending perils confronting us, and endeavor to bring about a reconciliation of the differences that exist to such an alarming extent between fire companies? We should aim, therefore, at insuring more unanimity of opinion, and consequently be in a better position to offset the unfriendly enactments of many of the states to whose departments of insurance we are required to report, as well as endeavoring to successfully combat the thoughtless statements of those persons who evidently fail to appreciate the value to the community of fire insurance, and whose faulty ideas on the subject lead them to encourage through their representatives, the enactment of unpracticable and unjust laws, and, as a consequence, encouragement of carelessness and crime.

In this connection, and the use of the word crime, I am prompted to refer to the recent dynamiting of a large building in Los Angeles, by men whose confession of the outrage terminated a trial which received world-wide attention. When we consider this case, does it not call for immediate action on our part, in insisting upon more drastic laws, governing the sale and transportation of high explosives, than the present fairly stringent requirements of our State? To some of my hearers the reference to this case may seem irrelevant, but when we consider that the fire insurance companies were among the sufferers of the outrage, it would appear but reasonable to suppose, they would favor any movement that would have for its object, the strengthening of our laws as previously suggested. The necessity for such action is made more apparent when it is recalled that after the destruction of the Times building in Los Angeles, and the adjustment of the loss was under way, the question arose regarding the liability of the fire insurance companies who carried the risk. The owner of the building admitted that the damage done by the explosion was severe, and while it had not entirely destroyed the integrity of the building, he was willing to admit that it had injured it to the extent of probably 50 percent. Allowing this was the correct estimate, still it proved a total loss to the insurance companies, owing to the small insurance to value carried. It is apparent, therefore, from the facts set forth, that any legislative measures having for their object more stringent requirements and regulations in connection with the sale and transportation of explosives, should receive the unqualified support of every fire insurance company operating on the Pacific Coast.

In conclusion, I would draw your attention to a paper which will be read by Mr. Dunn, of the Fire Insurance Society of San Francisco, entitled, "Why Not Insurance and Fire Protection Day." Considering the importance of the suggested world's congress of fire insurance companies, to be held in San Francisco in 1915, each member of our Association should take an interest in the matter, and bend his energies towards carrying the suggestion into effect. In event of such a congress being held in San Francisco, would it not be action well taken were this Association to make the adoption of "Prevention Day" the principal subject of discussion. In this manner we insure the greatest publicity possible, particularly if the object in view be the adoption by all the States in the Union of an accepted date which shall be designated "Fire Prevention Day." That this matter is considered of much importance, is best evidenced by the fact that already fifteen States have set aside a certain day, for if unanimity of purpose can be assured in the matter, should we not now commence to formulate plans, having for their object the cancellation of the dates adopted by the other

States, and the selection at the congress of a day, preferably the anniversary of the great conflagration that destroyed our city.

If our efforts in this connection meet with success, we shall have achieved a memorable result, and one that will go down in history linked to the two greatest achievements of the present century, namely, the restoration of the City of San Francisco, and the opening of the Panama Canal to the commerce of the world.

Gentlemen, I thank you for your kind attention. (Applause)

The Chairman—Gentlemen, if there is no objection, the President's Address will be referred to a committee to be hereafter appointed during the meeting. Hearing none, it is so ordered.

President Tiedemann at this point resumed the chair.

The President—Next in order of business is the reports of committees. There are a number of committees. I will first ask the Secretary to read the report of the Committee on Publicity, which he has in his hands.

The Secretary—The report of the Committee on Publicity is as follows:

REPORT OF COMMITTEE ON PUBLICITY.

San Francisco, Cal., Jan. 8, 1912.

Mr. T. J. A. Tiedemann,
President Fire Underwriters' Association, San Francisco.

Sir:—Your Committee on Publicity regret to report that outside of some small preliminary work in the gathering of information, nothing has been accomplished during the past year.

The conditions have been particularly unfavorable for any aggressive campaign along the lines of publicity under the auspices of this Association.

Very respectfully,
W. Irving, Chairman.

The President—I will next ask the Secretary to read the report of the Committee on Policy Forms.

The Secretary—The report reads as follows:

REPORT OF COMMITTEE ON POLICY FORMS.

Mr. President and Fellow Members of the Fire Underwriters' Association of the Pacific.

Gentlemen:—

Your Committee on Policy Forms beg to report that the attempt to make standard forms failed for the reason that the Brokers' Exchange declined to act with us.

That standard forms of policy contracts are needed we learn from our every day experience.

The Montana horse case, in which all of the dips, spurs and angles of the Kinne Rule, had to be followed to enable each policy to contribute its share to pay the claimant in full (published in the Fireman's Fund Record, copies on the Secretary's desk) is one of the thousand and one cases found by adjusters, where bad forms create friction, in settlements, that should have been avoided.

This organization has no legislative power, and as its recommendations without the co-operation of the Underwriters of the Brokers' Exchange, or of the Board of Underwriters, cannot be carried out, we are forced to recommend that this report be received and the committee discharged.

Respectfully submitted,

C. Mason Kinne,
Wm. Sexton,
Adam Gilliland,
Herbert Folger,
Committee.

The President—I will now ask the Secretary to read the report of the Committee on Standardizing Daily Reports.

The Secretary—The report is as follows, Mr. Chairman:

REPORT OF COMMITTEE ON STANDARDIZING DAILY REPORTS.

San Francisco, Cal., January 8, 1912.

Mr. T. J. A. Tiedemann,
President Fire Underwriters' Association.

Dear Sir:—The Committee on Standardizing Daily Reports, desires to report that having informally discussed the matter with several of the larger offices, it is unanimously of the opinion that while the scheme of a

uniform daily report is correct in theory, it is impracticable of adoption at the present time. Respectfully submitted,

EDWIN PARRISH,
R. W. OSBORN,
GEO. W. BROOKS,
GEO. W. DORNIN,
J. L. FULLER,
Committee.

The President—That completes the reading of reports of committees which have been handed to the officers of the Association. What is your pleasure as to these reports?

Mr. Osborn—I move that they be adopted and placed on file.

Mr. Sexton—I suggest that the committees be discharged.

Mr. Francis—I think they ought to be continued.

The President—The matter is before you for discussion. If there is no objection, the reports of these committees will be placed on file, and they will be published in the proceedings after reading.

We have now reached in our order of business the reading of papers. The first paper to which we shall listen today is entitled "The Garage, With Suggestions for Its Construction and Maintenance." The paper has been prepared by Mr. J. H. Morrow, who is unfortunately absent, and I will ask Mr. Gunn to kindly read the paper.

Mr. Gunn—I wish to say that I have not had an opportunity of seeing this paper before, and I shall therefore ask you to excuse any breaks that I may make in its reading. I may say, though, preliminarily, that the dictionary is a pretty interesting book, and the jokes you find there occasionally are also quite interesting. For instance, the good old word that I had always called auto-mo*bile* I find I am entirely wrong in, and it should be auto-*mo*-bile. So if I should fall down on that you will have to overlook it. Then again, if you are rich enough to own a machine, you will

call its place of detention a gar-*age*. If you are still expending a nickel for the street car you may use the English word *gar*-age.

The Garage—With Suggestions For Its Construction And Maintenance.

J. H. Morrow,

Special Agent Commercial Union and Palatine Insurance Cos.

The trite adage, "Familiarity breeds contempt," finds exemplification in the attitude of many persons toward gasoline. So long as the use of this highly inflammable and (under certain conditions), explosive fluid was confined to the cook-stove and to the stationary engine, it was treated with proper respect. The invention of the automobile, however, has had a tendency to rob many persons of the wholesome fear which they should entertain for gasoline, and to invite carelessness in the handling of this product.

In the 1904 edition of "The Century Dictionary," which was abreast of conditions then existing, no mention is made of the term "garage," but between that time and 1910 the word pressed for recognition, and in the supplementary Volume XI, published in the latter year, it appears with the following definition:

"A station in which motor-cars can be sheltered, stored, repaired, cleaned and made ready for use; also, a place of private storage for a motor-car; a stable for motor cars. (Recent)"

It is the relation of gasoline to the garage which gives the latter its distinctive features, and which justifies me in submitting this paper for consideration.

My subject is, "The Garage, with Suggestions for its Construction and Maintenance," having in view the reduction of its fire hazard to the minimum; for, let it be borne in mind, the hazard is not confined to the garage itself and to its valuable contents—there is surrounding property to be considered.

In the report of the committee on Fire Prevention Ordinances made at the fifteenth annual meeting in May, 1911, in New York City, of the National Fire Protection Association, garages received due consideration. I shall take the liberty of drawing upon this valuable source of information, and from ordinances in vogue in cities, as coinciding in many particulars with my own views based upon a somewhat extended experience.

Section 13 of the report reads as follows: "No garage shall be allowed or kept in any building used in whole or in part for a school, or

place of assembling or place of detention, hotel or apartment, tenement or lodging house, or within 50 feet of any of them. Any building erected or remodeled as a garage, and occupied in part as an office building, manufacturing establishment, warehouse or store, shall have such parts entirely cut off from the portion used as a garage, by unpierced fire walls at least 12 inches thick, and by fireproof floors, and shall be provided with adequate means of exit, independent of that used for the garage. All windows of such portions, thus occupied, located above parts used as a garage, shall be provided with wired glass in metal frames for the first two floors above."

While the suggested exposure distance of 50 feet might at times prove impracticable, and would certainly not be required where there was an intervening blank wall of brick, stone or concrete, yet the whole section indicates the attitude of the experienced underwriter toward the hazard of the garage. This has come to be the attitude of advanced municipalities, as shown by ordinances prohibiting, under penalty, smoking in garages, and requiring the conspicuous display of signs to that effect; compelling the lighting of garages by electricity, and forbidding the filling of automobiles with gasoline while their lamps are burning. Safeguards are similarly established against having forges or other exposed fires in any section of a garage subject to the vapor of gasoline, while Section 20 of the sample ordinance, from which I have quoted, insists that "the heating of all buildings used for garage purposes must be done by steam or hot water, all boilers or other furnaces to be in a room or rooms separated from all other parts of the garage by a brick wall or walls at least 8 inches thick."

In the foregoing I have sought to stimulate thought in order that what follows may have greater significance. And let this fact be borne in mind: The automobile is here to stay. It is inseparable from the conditions of the dawning age of the horseless carriage, and must be regarded, not as a menace to public safety, but as a feature of modern mechanical development which we would not restrain if we could. Its existence should be encouraged but along lines which shall minimize the hazard necessarily connected with it so long as gasoline enters into the propulsion of the automobile.

CONSTRUCTION, STORAGE AND HANDLING, AND INSPECTIONS.

This brings me, first, to the construction of the garage, second, to the storage and handling of gasoline in connection with the garage, and third, to features of the garage demanding special attention by the fire insurance inspector.

1. Construction.—All measurements must have for a basis a generally accepted standard. Is there such a standard in this case? There certainly is, and departures from it should be treated grudgingly and along the corrective lines pursued by boards of fire underwriters for the encouragement of property owners to improve conditions. A garage—certainly a public garage—should be of fireproof construction, and "no rooms or open or closed spaces of any character"—as set forth in the suggested fire prevention ordinance—"except such clearance space as may be necessary for elevators," should "be permitted below the street level." Confining automobiles containing gasoline in their reservoirs to the first or ground floor, all sections of such floor in any degree subjet or exposed to the vapor or fumes of gasoline should be properly ventilated to the open air at specified intervals on both floor and ceiling lines. The vapor of gasoline being heavier than air, the importance of floor-line ventilators is self-evident. For the same reason the floor—which should be of cement—should be absolutely free from pits, for which safe substitutes can be had in "open frames raised above the floor." The wash-rack, or drain, too, has proved hazardous, and the cause of fires, since, if improperly built, it becomes the lurking place for gasoline fumes and floating oil, both a menace to the automobile standing on the grating. It cannot be done away with but can be safe-guarded. In its construction provision should be made for the rapid discharge of the waste from the building, but without such direct connection with any house drainage or sewer system, as will endanger the latter. This can be accomplished by means of a ventilated intercepting grease, oil and inflammable liquid trap or separator so arranged that its contents can be removed with safety. In my judgment this trap should not be immediately under the rack, but at such a distance from it as not to be exposed to accident. Or the waste can be run into a ventilated cesspool outside the building, with proper provision for removal of its contents. But the wash rack is a source of anxiety in all garages, and its construction and maintenance are open to inquiry.

Returning to the building itself, exposed openings should be protected—doorways, with fire underwriters' doors; windows, with wire-glass in metal frames and sashes. Elevators and stairways to upper floors should be enclosed and protected. The building being of fire-proof construction, all division walls would naturally conform to the type of the structure, but in no garage, whether standard or otherwise, should any repair section, or section used for the storage of lubricating oil, or containing any fire form an unobstructed part of the garage proper. There should be non-combustible separating partitions, preferably of brick eight inches thick, or their equivalent, with any and all connections protected by self-closing fire

underwriters' doors. It is not safe to take chances with the vapor of gasoline. And preferably any section used for display room or office should be similarly cut off, especially with the hazard there of the cigar and the cigarette. I have heard automobile men attempt to discriminate between the cigar and the cigarette as an element of danger, forgetting, even if such differentiation were correct, that it takes a match to light either.

2. Storage and Handling of Gasoline.—Briefly, gasoline should be stored outside the garage, in a tank of dimensions specified by boards of fire underwriters or by municipal authorities. The tank should be of No. 12 galvanized steel, or of iron not less than 3-16 of an inch in thickness, its top buried at least four feet below the surface of the ground, and filled in above with earth to the level of the surrounding ground. If the tank can be installed at least 10 feet outside the foundation wall of the garage all the better, but it should never be allowed nearer the building than 5 feet and not even so close as 5 feet, unless by special permit and under additional restrictions, because a greater distance would be prohibitory. It should be vented by a pipe not less than one inch in diameter, extending upward, outside the building, and to a point 5 feet above the roof of said building, with a return ell. The filling pipe should extend upward from the tank to the ground level, and be capped with a water-tight screw cap. Filling should be done through hose from a tank wagon and only between the hours of sunrise and sunset. The dangerous practice of filling from a drum should not be allowed.

To raise the gasoline an automatic closing valve pump, which may be located inside the building, but preferably outside, should be used—the pump being placed higher than the top of the supply tank. The employment of any gravity, syphon or pressure system to take gasoline from the storage tank should be prohibited. If the pump must be in the building, its position should be as close to the entrance as possible, where also may be kept, when necessity requires it, within 10 feet of the entrance, an approved closed metallic tank or buggy, not exceeding in capacity 60 gallons, for the filling of automobiles. This metallic tank or buggy must have rubber-tired wheels, and must be provided with a pump drawing from the top of its container, and whether the reservoir of an automobile be filled from the stationary or the portable tank, the filling must be done through non-leakable hose. The use of gasoline for cleaning parts of machines (which should be discouraged), should be confined to a special room, the total quantity of gasoline thus admitted into the building being limited to 5 gallons in an approved metallic container.

And in this connection let me emphasize the special value, in the extinguishment of gasoline fires in their incipiency, of barrels of dry sand,

each bearing on its top an iron scoop and also the use of liquid chemical extinguishers. The value of stand pipes and hose should not be overlooked, especially if a fire gains headway.

3. Inspections.—In the foregoing I have indicated what should be sought in the construction of a garage, and in its plan of storing and using gasoline. But with all the requirements and provisions I have outlined fulfilled, there still may be, as in risks of all kinds, faults of management. It is here that the special agent has the opportunity to render important service to all concerned. For example: There is the oily waste not kept in approved self-closing metalic cans, or thrown in a heap in the back yard contiguous to building or sheds ready for spontaneous combustion; there is the tobacco smoker (visitor or employee) enjoying pipe, cigar or cigarette in the face of the warning sign "No smoking;" there is the unclosed communication between the repair shop and the garage proper; there is the sawdust strewn on the floor to take up the drip of oil; there is the defective electric wiring; there is the leaky filling hose; there is the electric motor of the repair room located on a level with the floor, instead of four feet or more above it; there is the employee substituting for hose an open can in filling automobile tanks; there is the sand barrel without its scoop, or the fire hose without nozzles, or the chemical extinguisher rendered inoperative by neglect. None of these shortcomings may be found, but it pays to look for them, and, in my own experience, looking for them in an advisory spirit is generally welcomed by the garage proprietor or his manager, for the true spirit of inspecting is helpfulness, not embittering condemnation without betterment as the result.

PRIVATE GARAGES.

In conclusion a word about the private garage, which has been defined as "A building where one or more automobiles are stored for private use only, and are not rented to or hired by the public, and where no charge is made for the storage of the same." I believe that the number of automobiles so housed should for obvious reasons be restricted to three. I believe, furthermore, that even with the private garage section protected by walls of masonry and having a non-combustible ceiling, no such establishment should form a part of a human habitation, though possibly conditions may force that point. In the same spirit, if the location of a private garage were closer than twenty-five feet to any other building, good underwriting would suggest that such garage be of fire-proof construction. But with the great number of small frame stables transformed into garages for the accommodation of a single vehicle each, an iron-clad rule on this point might

be embarrassing, unless enforced by rate-making bureaus. However, with the owner or occupant of a private garage often an amateur in the handling of his automobile, the chances of accident is considerable, and then the relation by exposure of the building in which the fire occurs to surrounding property becomes a matter of moment.

Regarding gasoline, none except that contained in the reservoir of the automobile should be taken into the private garage, except under pump conditions heretofore emphasized in connection with the public garage. It would also be desirable to limit the quantity of gasoline stored to 200 gallons, making it obligatory, if the capacity of the tank (iron or steel) is in excess of 50 gallons, that it be buried four feet under ground, and 30 feet from any building. Where the capacity of the tank is not in excess of 50 gallons it could be made permissable for the tank (iron or steel) to be kept above ground in a locked enclosure, with ventilated sides, such enclosure to be at least 30 feet from any building. The buried tank should be equipped with a pump as specified for a public garage, and filling of the automobile reservoir should be done through hose. The 50 gallon tank should not be connected by piping with the garage, and filling from it should be done in the open air by means of safety cans. But the preferable way to keep and use gasoline is by buried tank and approved pump, and any other way, even if the operation of filling be confined to the open air, should be discountenanced. Here city ordinances and rules of boards of fire underwriters may be invoked to correct deficiencies.

The President—I know you will all agree with me, gentlemen, that Mr. Morrow has given us a very excellent paper. I should be glad to hear anything that may be said upon it. As nobody appears to be desirious of discussing the paper I shall pass on. The next paper is a short one, If your engagements at the noon hour are not pressing, I should like to have it read. But if you think it preferable, we will postpone the reading of it until two o'clock. The paper is by Mr. Henry S. Dunn, of the Fire Insurance Society of San Francisco, and should be listened to by a full meeting. As many of the members are leaving and seem to have engagements, I think we had better postpone its reading until this afternoon. It will be the first time in the history of our Association that a young man has come forward with a paper from another Association in our city, and I would like to have it

given the attention that its merit warrants. If there is no objection, we will now adjourn until 2 o'clock this afternoon.

A recess until 2 o'clock was taken.



AFTERNOON SESSION.

The President called the meeting to order at 2 o'clock p. m.

The President—We will now listen, gentlemen, to a paper by Mr. Henry S. Dunn, of the Fire Insurance Society of San Francisco, upon the subject of "Why Not Insurance and Fire Prevention Day?" Gentlemen, it gives me pleasure to introduce to you, Mr. Henry S. Dunn. (Applause.)

Mr. Dunn—Mr. President and gentlemen of the Association: It would be negligence on my part if I did not express my appreciation of the kind introduction given me by Mr. Tiedemann and the honor conferred upon me by asking me to prepare a paper to be read before this Association. Mr. Herbert Folger, in his article upon the writing of papers, read before the annual meeting of 1909, describes three classes of papers: the practical, the theoretical, and the general. My contribution hardly comes under any one of those classes. It is a suggestion, or more properly, an inquiry—Why Not Insurance and Fire Prevention Day?

Why Not Insurance and Fire Prevention Day?

Henry S. Dunn,

Fire Insurance Society of San Francisco.

It is well to state at the outset that the suggestion is not made with the idea of increasing the already excessive number of holidays that interrupt business.

The means and manner of observing the "Day," would necessarily follow its adoption and need not be discussed at the present time. The question is whether the insurance companies, fire in particular, should identify themselves with a public movement tending to the prevention of fire waste and its resulting loss.

It is unnecessary to call attention to the rapidly growing movement towards a national observance of "Fire Prevention Day." Many state

executives and insurance departments have adopted this means to call the attention of the public to the enormous drain upon the resources of the nation resulting from fire waste. This is the first tangible result of the campaign of education carried on for years past by the underwriters. Having launched the movement, should not the companies take part in the observance of the "Day" and direct the trend of public sentiment into the proper channels, both as to fire prevention and protection, and also as to loss recovery which is only possible through insurance?

Why not use the opportunity to educate the public as to fire insurance?

The policy in the past has been to avoid publicity as far as possible. Do conditions as we find them today prove that this course is profitable to the companies? Probably no business is so misunderstood by the public and so mistreated politically as a result. From the expressions of the courts, legislatures and press the general public receives the idea that insurance as a business borders on the illegitimate, and that its practices are honest only when compelled to be so by law.

Why should you allow the public to be so misinformed? Why not present insurance in its proper light?

The need of such an educational campaign is urgent in the West, where direct legislation is being adopted by the people—particularly in those states having provision for the initiative and referendum in their constitutions.

Thrown as the companies are upon the mercies of state legislation and in the view of the experiences of the past, will any one say that the insurance companies may not be called upon to invoke the referendum at some time in the future? It would be a costly undertaking to go before an unenlightened and almost hostile public, and ask for the repeal of an obnoxious law, and the probabilities are that under present conditions such an attempt would result in failure.

Why not more publicity? Why should the fire insurance companies suffer adverse legislation which they know would not emanate from a well informed public?

In the observance of the "Day" the various branches of the business would meet upon a common ground which could not fail to accomplish good. Life, casualty, and other forms of insurance are affected by the fire loss of the country, which takes its toll in life and limb as well as in property, and, governed as they are by the same laws as the fire insurance companies, they will surely join any movement tending to the betterment of the political conditions under which they exist.

From an advertising standpoint the observance of the "Day" should prove of great benefit to the companies. It would create what the advertis-

ing man calls a "human interest" in the business. This is now a recognized factor in advertising.

The large manufacturer in his illustrated advertisement draws attention to the number of his employees, the surroundings in which they work and their standard of living; pictures their homes and places of amusement. He endeavors to show the customer that the money received for his goods goes to support the people, that the employee is the main recipient, that his enterprise is worthy of support, as it is a part of the life of the nation.

Has the public any idea of the number of people engaged in the insurance business and the families whose livelihood is dependent upon them? Why not for one day in the year call attention to the army of trained men and women who are making insurance their life work?

If the manufacturer increases his business by this form of advertising would not the insurance companies increase theirs? Loyalty.

Probably one of the greatest benefits derived from the annual meeting of this Association, the yearly homecoming of the clan, is expressed in the spirit of loyalty to the companies and the business which underlies the gathering.

Would not the union of all insurance interests in the observance of a "Day" bring us closer together?

Would not the loyalty of every one engaged in the business be quickened, and the spirit of strength and organization which a united movement creates add to the efficiency of all?

If observance of the "Day" will lead to a better understanding and friendlier feeling on the part of the public and serve as a good advertisement for the companies and tend to create and stimulate the loyalty which is so essential to the success of the business, why not "Insurance and Fire Prevention Day?" (Applause.)

The President—I think the Association is to be congratulated upon being favored by Mr. Dunn with such a delightful paper. I do not hesitate to say that if I have any influence with Mr. Dunn, I shall endeavor to have him prepare another paper for our next meeting. In fact, I have already asked him to do so. I read his paper prior to his reading it here today, and it strikes me that some of the suggestions that he has offered are well worth discussion, and that we could well afford to give them some thought. It is before you now and I should be very glad to hear some one speak upon it.

If there is no discussion, I will then call for the next paper, which is entitled "Fire Insurance Upon the Continent of Europe." Its writer is Mr. Victor G. Gollmick, of the Alliance Assurance Company of London. I will ask Mr. Medcraft if he will kindly read the paper.

Mr. Medcraft—Mr. President, I should say to you that the paper was written for the Insurance Institute of London by Mr. Gollmick, who is at the head of one of the departments of the Alliance of London, and we are favored with having this copy of it for our use here. It is very long, something like sixty pages, and I shall read it hurriedly.

Fire Insurance Upon the Continent of Europe.

Victor G. Gollmick,

Alliance Assurance Co. of London.

An attempt to deal with this subject as a whole would be a task too cumbersome to be compressed in the space of an ordinary paper. Furthermore, the chief interest and value of a survey of any given field of operations must primarily lie in its own individual growth and development, commercially and intellectually, in the inherent necessity and demand of a certain system of provident protection against the ever present contingency of fire loss, and in the nature of the response made by the community to the particular need arising in its own midst.

Even in a restricted form, the subject is so replete with interest and matter, that a volume could well be written on each of the countries comprised in the area under review. I will, therefore, deal only with some of the distinctive features of continental fire insurance.

Fire insurance, like any other business, is not carried on for philanthropic or benevolent reasons, but to make money for those who invest their capital in the undertakiug. The difference, however, between the ordinary commercial enterprise and the business of fire insurance is very great, the one may be based upon sound commercial calculation, whereas the other is complicated by contingencies which may or may not occur and which can only be met by the law of average, assisted by long and varied experience, as well as by comprehensive study. The field of study embraces, *inter alia*, technical knowledge of the construction and approximate cost of buildings, the course of the multitudinous varieties of manufacture, from

the cost and manipulation of the raw material in all its stages to the finish, with all the risks attendant thereon, chemical science, mechanical and electric engineering in all its various branches, the law bearing upon property and the insurable interest of the individual, etc., etc. Insurance education is never completed, but has to keep pace with all the various changes in scientific knowledge and research, the laws, customs and habits of the various countries and peoples, the variations in insurance legislation, and all the multifarious matters which directly or indirectly affect insurance operations. No one who has studied the rise and development of fire insurance during the last two and a half centuries can fail to have been impressed with the steady growth and scientific progress of that system of provident foresight known as fire insurance, which forms the collateral security of all capital and commercial and industrial activity. That insurance is security, is an axiom we all know, and it has come to be recognized as inseparable from the growth and preservation of commerce, industry, trade, and the maintenance of property generally; without its provident indemnity, business would be in constant danger of declining or of practically coming to a standstill from lack of the necessary financial reserve support. The growth, however, must be slow and steady, from the fact that fire insurance is no more than the gradual accumulation of many small deposits of money received from a number of individuals who, from considerations of prudence, are drawn to combine with each other in order to bear reciprocally, each other's burdens against the contingency of loss by fire.

An insurance policy is given with the object of making good, within certain defined limits, such loss as may be occasioned by fire, and of enabling the property owner to continue operations, and to keep the machinery of trade, commerce and manufacture in motion. The fact of insurance being what it is renders it essential that it be conducted on lines of skill, care and prudence; hence it is that it has always had to advance slowly in the wake of the needs that have arisen, and has had to keep in intimate touch with all the vagaries of law, custom and trade. In other words, it has had to feel the pulse of each country into which it has penetrated. It follows, therefore, that whilst insurance in its main purpose is the same all the world over, yet in its practical application and routine, very great differences of treatment are necessarily encountered. This is especially evident when one comes to consider the matter in connection with the continent of Europe. In the comparatively small area (excluding the British Isles) of less than 3,400,000 square miles, there are comprised, say 16 countries of different race and nationality, distinct in language, character, laws and customs, each requiring an individual study and treatment of the insurance problem. In proportion as each of these countries

has developed in population and advanced in civilization, so also has the necessity for some provident system of protection against the disastrous effects of fire waste arisen and, in considering how the need has been met, it is instructive to notice that the main principles on which the practice of insurance in each separate country is founded, are almost identically the same. When one reflects that in the infancy period of fire insurance the opportunities and facilities for interchange of thought between countries and states were severely limited; this spontaneous unanimity is a striking testimony to the justice and reasonableness of the bases of fire insurance, which, after all, are, even in this day of enlightenment, still cavilled at by a considerable section of the public.

Let us take, for instance, three of these bases, or foundation principles:

(1) The principle that the contract of fire insurance is to indemnify against loss by fire from *ordinary accidental causes only*, and does not include losses arising out of extraordinary causes, such as arise through the disturbance of the equilibrium of society, or from what are termed "Acts of God."

(2) The principle that the contract is one of indemnity only, the object being to place the insured in the same position he occupied at the moment immediately preceding the fire.

(3) The principle of coinsurance.

These three principles are constantly the subject of hostility.

What insurance man does not know that, as regards No. 1, insurers have frequently had to face, and sometimes to pay, claims which never were contemplated or included in the contract, either specifically or inferentially.

Again, as regards No. 2, how often is "new for old" the subject of trouble and dispute.

But it is No. 3, that absolutely just principle, which has evoked the greatest amount of opposition and a special word in passing may not be out of place.

In marine insurance, the parent of fire insurance, the equity of a responsibility shared by both insurer and insured, has always been acknowledged. In England the justice of the principle was officially recognized by statute, as long ago as the year 1828.

Griswold's Fire Underwriters' Text Book, thus describes it:

"By this act insurer and insured were compelled to place a certain amount upon each distinct building or contents, or where the fixing of such value was not practicable from any cause, being in the term variable over the several buildings and the insurance was in one sum upon all, the insured could only recover pro rata for any damage that the amount of the

property at risk bore to the insurance thereon at the time of the fire, so that if he were under insured at the time of the fire he was supposed to have, in so far, evaded his fair share of the insurance duty; hence Government would not permit him to receive from his insurers any sum upon the amount for which he had not practically insured himself.

It was this act which imposed the "conditions of average" as subsequently used and which placed the official stamp, so to speak, upon the pro rata or coinsurance principle.

Passing now from the common main or fundamental principles of insurance, as recognized on the continent of Europe, let us turn our attention to the matter of law. The primary object of law is the protection of the individual, of property, and of the institutions of society. The laws of all countries consist mainly in a series of customs and obligations regulated by judicial decisions, following the acts of legistatures.

On the continent of Europe are to be found roughly speaking four distinct races, the Teutonic, the Slav, the Latin and the Oriental, out of which have been formed, in the natural course of the centuries, a number of separate nations, differing in their languages, habits and customs, though not without characteristics betraying their descent.

Bearing all this in mind, let us briefly glance at some of the more prominent European countries, and see how fire insurance has had to adapt itself to the prevailing conditions of each.

FRANCE.

Intelligent, industrious and thrifty, the French have long known the value of insurance, but for our present purpose it may be sufficient to note that in spite of their qualities, it was not until the commencement of the 19th century that it developed, and gradually assumed its present definite shape. The promulgation of the "Code Napoleon" laid down the lines of mutual responsibility to the following effect:

"That every action of man whatsoever which occasions injury to another, binds him, through whose fault it happened to the reparation thereof. That every one is responsible for the damage of which he is the cause, not only by his own act, but also by his negligence or by his imprudence, and a person is responsible, not only for the injury which is caused by his own act but also for that which is caused by the act of persons for whom he is bound to answer, or by things which he has under his care, and a lessee is answerable in case of fire unless he can prove that the fire happened by accident or superior force or by faulty construction, or that the fire was communicated from a neighboring house, and if there are several hirers, all are jointly and severally responsible for fire unless they can prove that

the fire began in the house of one of them; in which case the latter alone is bound therein; or unless some of them can prove that the fire did not commence in their lodging, in which case the latter are not bound therein, and the lessor is bound for deterioration and losses which happen by the act of the persons of his house or of his sub-tenants.

On this code French practice was founded and, in order to meet the obligations thus created, the insurance companies evolved a system whereby a person may protect himself not only against his own individual loss by fire, but also against the responsibilities imposed upon him by law. The system comprises four distinct risks, namely:

The first risk is the insurance of a man's own property. The owner of say a dwellinghouse "may insure it and if he is occupier as well as landlord, and the fire has begun and ended on the assured property, he recovers his loss and no further question arises."

The second risk is the "risque locatif." Supposing that the said owner has let the dwellinghouse to tenants "their liability (le risque locatif) comes in question" and "the insurers, subrogated to the rights of their insured, proceed to recover their payments from the unlucky tenants unless they can prove a negative to the liability for which, where the actual cause and place of origin of the fire are unproved, they are presumably responsible. To escape, the tenant must prove that the fire has happened by accident—force majeure—faults of construction, or was communicated by a neighbor; but, without absolute proof, the presumption of law is against him. Even when faulty construction appears, he must prove that it was the cause of the fire; and in the large continental buildings, let out in apartments the separate tenants are not neighbors but co-tenants. If they, the co-tenants, have to pay, they are said, although liable en solide, (as a whole) to be responsible as between themselves, in shares proportional to their numbers, and not to the value of their holdings—the tenant of the smallest attic equally with the man of fashion au premier (on the first floor). The consequence is that a double insurance is required.

(1) Of the principal or landlord's risk.

(2) Of the "risque locatif" or tenant's liability.

As regard the first, it is said that it is not uncommon for the landlord to charge the tenant with a proportion of the insurance cost; but this does not relieve him from the second liability, which therefore must be separately covered. It has thus become common, though not universal, for the landlord to insure and pay a further or additional premium to his office (pour le recours abandonne), i. e., for the renunciation of the right to claim against the tenant. When this is done and the premium divided accordingly the liability is provided for; otherwise the tenants must insure for themselves;

and if there are a dozen tenants, it is suggested that they can protect themselves separately by each taking out insurance for the whole value of the building, less the ground on which it stands. The risque locatif, it will be observed, is not only treated as a liability of the tenant, but as a recovery for the insurance office through subrogation. The rate of premium for it, is said to vary from one quarter of the tariff rate for the building, where building and risque locatif are insured by the same policy, to one half of the rate on the building if in the same office, or to three quarters, if the insurances are in different companies."

The third risk is the "recours des voisins," or risk of causing loss by fire to your neighbor's dwelling—a risk incurred by both landlord and tenants in different degrees. It depends on the general law, so to speak, and applies also to movable property, whether in the same or adjoining house—while the "risque locatif" applies to immovable property only.

The fourth risk is the "risque des locataires," or the right of recovery of the tenants against the landlord for faults of construction or maintenance, or the neglect or imprudence of work people employed by him in necessary repairs. "The third and fourth risks are also insured at one fourth of the tariff rate for the building, or highest rate applicable to the risk insured."

"In order to appreciate this system, it is necessary to realize that all these rights and liabilities are for personal misfeasances, actual or constructive, and arise and repeat themselves with every change of circumstance; and, secondly, that the insurance offices themselves give it life and origin through the doctrine of subrogation."

It is unnecessary to go further into this system, but one other feature may be mentioned, viz:—that the insurance office still has the chance of an additional insurance in respect of buildings of recent erection, "For the term of 10 years contractor and architect are both held liable for faults of construction, and as the office insuring the proprietor is subrogated to his rights against them, they may insure, at a very small premium it is true, for their own protection."

Besides the insurance against mutual responsibility, it has been the custom in France, for many years past, to insure against consequential loss or "chomage," as it is called. Although this class of insurance has not proved of a profitable nature, and has been discontinued by some of the French companies, it may be of interest in view of the recent introduction of the idea into England, to give a short indication of the lines on which the French companies met the need.

In granting insurance against chomage, the company guarantees:

(1) To owners of buildings, an indemnity intended to cover the loss

of rent or deprivation of use (or tenancy) which they may sustain in consequence of the destruction of their property by fire.

(2) To merchants and manufacturers, an indemnity, representing the interest on the capital rendered unproductive by the burning of their plant, tools, merchandise or raw material, and also of their buildings, if they be the owners of the premises in which their business, commercial or industrial, is carried on.

(3) To tenants, whether merchants or not, an indemnity for the loss they may sustain through being deprived of their furniture or other movables.

(4) The insurance against chomage likewise includes the guarantee of the liability which may be incurred by landlords and tenants under the "risque locatif" and "recours des voisins," on account of deprivation of use which they may be called upon to restore.

(5) It extends to the various risks of explosion, subject to the ordinary exceptions and exclusions.

The insurance against chomage is only granted on risks already insured against fire and explosion, and for the same period. The insured is accordingly bound in affecting an insurance against chomage, to furnish evidence of the duration and amount of his insurances against fire, and mention thereof is made in the policy.

All the exclusions, forfeitures and limitations contemplated in the general policy conditions are applicable to the insurance against chomage. The amount of the insurance against chomage must be within the limit laid down by the insurance company, for instance, one-tenth of the total value of the property which is insured against fire pure and simple.

The rating and indemnification is according to the system agreed upon, for instance:

(1) *Pro rata Indemnification:* This insurance is granted in consideration of a premium equivalent to 10 per cent of the total premium paid for the fire and explosion risks.

The insured, in cases where the reinstatement is affected within a year, will be entitled to an indemnity proportioned to the time required for the reinstatement, reparation or replacing of the property burnt. The insured will be entitled to the entire amount insured against chomage if the reinstatement extend over a whole year, or more than a year, one year being regarded as a maximum time.

Example— Given an insurance of fcs 100,000 including fcs 10,000 against chomage, if the fire and explosion loss have been adjusted at fcs 40,000 and the reinstatement lasts three months, the company fixing its

chomage loss at fcs 4,000 will allow an indemnity of fcs 1,000, being one-fourth part corresponding to the period of three months.

This adjustment is subject to the same rules and regulations as in the case of fire and explosion losses.

(2) *Unconditional Insurance*: In consideration of an extra premium of one-half of the chomage rate, i. e., of a premium equivalent to 15 per cent of the total premium received on the fire policies, the company will unconditionally guarantee, by way of chomage insurance, one-tenth of the amounts which it is liable to pay for fire or explosion, whatever may be the term required for the regulation of the damage.

The procedure as regard the wording of the insurance against chomage may be indicated as follows:

By the addition of a clause at the end of the ordinary fire policies to this effect "the company likewise insures Mr. W . . . by way of indemnity for chomage resulting from fire and (or) from explosion upon the general conditions of the policy and the special conditions following, the sum of fcs . . being (say) 10 per cent of the sum insured against fire by items . . of this contract, and this in consideration of a premium of . . being one-tenth part of the premium paid for the insurance against fire."

If the insurance be effected in accordance with No. 1 the following proviso would be added: "the chomage indemnity payable in case of loss to Mr. W. . . will be based on the amount at which the fire loss may be adjusted and calculated at the rate of 10 per cent of the same amount. This indemnity will be paid pro rata of the time actually requisite for reinstating, repairing, or replacing the property affected by the fire; but in no case for a period exceeding one year, and such period shall be fixed by amicable agreement between experts chosen by the parties."

If, on the other hand, the insurances were effected in accordance with No. 2, the words "chomage premium increased 50 per cent for unconditional insurance," would be added after the stipulation for the payment of one-tenth of the premium, paid for the fire insurance, together with the clause "the chomage indemnity due to the insured in case of loss will be paid unconditionally at the rate of 10 per cent of that allowed for fire, and this irrespective of the time necessary for the reinstatement, reparation or replacing of the property damaged."

The object of the guarantee against chomage being to insure a sum in addition to that insured against fire, it follows that the additional insurance had to be subject to the stamp duty.

State or municipal insurance has never found favor in France, therefore, with the exception of government and railway property, the whole of the

insurable property in the country is at the disposal of the stock companies. Of these there are a good number, old established, and well managed French concerns, whose policy conditions are based upon the same model and whose methods are likewise very similar.

There is no repressive legislation in France, their only obligations, roughly speaking, being:

They must be authorized by the Government to transact business.

They must pay a registration tax, which they recover from the insured by a charge of 10 per cent on premiums.

They must pay a tax of fcs 6 for every million fcs sum insured
ditto " 12 ditto
In all fcs 18 by successive laws.

They must pay a stamp duty of 0.04 cents per cent on sum insured, which is also recovered from the insured.

The insurable property open to them is of large volume and good quality. Taken as a whole, the construction of buildings is excellent (much better than in England). Agriculture is diligently pursued, industries are many and varied, and commerce is active and progressive, whilst the fire extinguishing service in the large towns is first-rate. In the country districts it is about on a par with that of England.

The moral hazard is excellent. Government is of a settled nature and the natural intelligence, buoyancy, and enterprise of the French have had free course in the development of their individual and national prosperity.

Under these circumstances, it is not surprising to find that insurance results have been good; bad seasons, owing to drought and other disturbing influences, there have been, but on the whole the record is uniformly satisfactory, and even the foreign reinsurers of French companies, who have had the advantage of first line treaties have had reason to congratulate themselves on the profitable nature of their treaty connections.

Automatic sprinklers are much in evidence. The French companies give a discount of 50 per cent off the premium on any risk installed therewith.

Another feature of French practice is the use of long term policies. These are policies taken out for a term of say 5, 10, or even 20 years. The insured agrees to continue the insurance for the whole term of years, and the company in return grants a certain reduction in the premium, and allows the insured to pay the same in annual installments. The company in allowing the premium to be paid annually, is protected by law, as the

insured is bound to continue the insurance and may not cancel the same, except with the consent of the company, and subject to the payment of a proportion of the future annual installments.

The company, on the other hand, has the right to terminate the insurance, in case of certain contingencies arising, such as change of ownership of the property, etc.

Some years ago a well known English judge, who, having insured his French property with a French company, wished to transfer his insurance, took out an annual policy in an English company; the French company held his lordship to his contract and the judge was obliged to ask his English insurers to cancel their policy, which, though under no obligation to do so, they did, returning the premium in full.

BELGIUM.

Insurance practice in Belgium is akin in most respects to that prevailing in France. The policy conditions of the Belgian companies are very similar, and are based upon similar legal provisions. There is, however, one important addition to French practice, and that is the issue of Bourse insurances in Antwerp.

According to Belgian law, tenants, landlords, and neighbors, as in France, are mutually responsible for consequential damage by fire occasioned to one anothers property; it is therefore customary to insure in separate specified sums their common liabilities under the heads of "risque locatif," "risque du proprietaire," and "risque du voisinage." In the case, however, of mercantile insurances at Antwerp, the multiplicity of interests and extent of the various liabilities are so great that this system of insurance of "receurs" proved to be impracticable.

To remedy this hardship the insurance committee of the Antwerp Chamber of Commerce, at the request of the representatives of the Antwerp mercantile community, undertook to devise, if possible, a practicable system; and the result of their endeavors was communicated in a circular and a report, in which a new plan of insurance against claims for consequential loss was proposed, and as from May 15, 1893, formally adopted by the Antwerp Tariff Committee.

Under the new plan all the general conditions of the ordinary policy were cancelled, and in the new conditions there were comprised all the provisions necessary for the protection of the company against extraordinary contingencies such as earthquakes, war, invasion, etc., as well as the special ones relative to the mercantile features above alluded to. Under the Bourse conditions, instead of a person insuring in several specified sums his liabilities to other parties under the several heads aforesaid, he insures

in one amount a sum equal to that insured on his own property in order to cover any claims which he might have to make against other parties. For this insurance he pays the company an increase of ten per cent on the premium paid for his own insurance, the company undertaking all "recours" up to the amount of his policy and foregoing the exercise of its rights of recovery by subrogation.

The system of chomage insurance practiced in Belgium differ slightly from that in use in France. In Belgium the insurance is to the extent of one-tenth of the sum insured against fire in consideration of a premium invariably fixed at one-fifth of the fire insurance premium with a minimum premium of one franc. The chomage indemnity is determined by experts but must never exceed ten per cent of that allowed by the insurance company or companies under the fire insurance, and it is paid in the same form and within the same period as that of the fire company or companies.

HOLLAND.

Methodical, industrious, and thrifty, with well developed business instincts, the Dutch conduct their insurance business on lines varying considerably in most respects from those practiced by their French and Belgium neighbors.

State or municipal fire insurance institutions are conspicuous by their absence, and the whole of the insurable property of the country is handled by the Dutch companies, many of which may be classed as purely family concerns. The Dutch companies are not under state control, but they must be duly registered and must have a paid up capital of at least ten per cent of the subscribed capital. No license fee is required, but a tax of two and one-half per cent on the dividend paid to shareholders is payable to the State. Stamp duties have to be paid by the insured and the companies on their part must pay a stamp duty of f1.1 to f1.2 on each share. The system of "recours" insurance practiced in France and Belgium is unknown in Holland, and policy conditions, with the exception of those on Bourse policies are on the whole very similar to those appearing in English foreign policies. Bourse policies in this country are very different from those issued in Antwerp and it may be interesting here to note the chief points of the Dutch forms.

The Dutch Bourse policy covers against fire caused by tempest, own fire, carelessness, fault or villiany of own servants, neighbors, enemies, robbers and all others howsoever named, and howsoever the fire may have originated or have been caused, intentionally or not, none excepted, but such as have been wilfully caused by the party interested in the insurance;

also loss or damage held to have been a result of the fire, such as damage by water, etc.

The policy form contains a specification of proofs required in case of claim on (1) buildings and utensils, (2) household furniture, and (3) goods and merchandise.

All losses are payable within one month from receipt of advice without any deduction, but in no case shall payment exceed the amount of the policy issued.

Insurances by ordinary annual policies on buildings and on household furniture may be renewed by renewal receipt under certain conditions, otherwise they must be replaced by new policies.

In the event of a change of ownership in a building or its contents the insurance shall continue provided notice thereof be given to the company within the thrice twenty-four hours next following and provided the company shall not in such case within fourteen days have declared its intention of terminating the insurance. In the event of the company not wishing to continue the insurance, it is not liable beyond the expiration of twenty-four hours from the date of their notification.

In the case of goods and merchandise changing ownership the company's liability ceases from date of change, unless it be otherwise specially agreed.

All disputes to be settled amicably at the head office of the company, or else submitted to the Hague district court.

There is no reference to the average (co-insurance) clause as the same is a legal requirement.

Chomage or consequential loss insurance has been recognized as a necessary business protection, and is being much sought after so that business in that direction is developing.

There is only one company doing Employer's Liability business, and without much success.

A fair use is made of long term policies. For a period of 42 months a premium for 3 years is paid. For a period of 5 years a premium of 4 years is paid. The insured may never cancel a long term policy, and the company may only do so in the event of there being an alteration in the ownership of the property, in which case a pro rata return is given. The premium on a long term policy is always payable at once in full, but sometimes long term policies are issued payable annually. In such cases no reduction of premium is given and the insured are also legally bound to continue the insurance with the company for the specified number of years.

Factories, buildings and machinery are valued *before* being insured. In case of loss, the amount paid is the estimated value of the property at the

time of the fire, which is the same as saying that the sum insured is the basis of settlement less depreciation.

The rating of risks appear to be left largely to the discretion and general experience of insurers. There is a tariff association in existence known as the Nederlandsche Vereeniging voor Brandvergekering, but its rates seem to apply only to general warehouses, due, no doubt, to the disinclination of most of the local companies to join the Association, and probably the absence of an urgent necessity for the same.

SPAIN.

Insurance, like modern banking, has been slow to take root on Spanish soil. With two exceptions, most of the native companies are of quite recent origin, the two exceptions being the Union et Fenix Espagnal, and the Catalania, founded respectively in 1864 and 1865.

In 1893 the government promulgated a series of regulations for the control and taxation of home and foreign insurance companies. Summarized, these regulations were as follows:

The companies were to pay to the state two per cent on the premiums actually collected from policyholders.

The agents were to pay a tax of two per cent on the commissions received by them from the companies.

Mutual companies which did not divide so called profits but who distributed amongst the members the losses suffered by part of them, were exempted from this tax.

Special balance sheets were to be submitted to the revenue authorities, showing the business done in Spain and its adjacent islands, with full details as to the premiums and policies in force arising from the Spanish business, including the name and address of the assured.

A quarterly statement giving the name and address of the companies' agents, and the amount of commission received, had to be furnished.

Taxes were collected on the amount of premiums actually collected. One million of pesetas to be invested in certain specified Spanish securities, subject to three-quarters of the reserve being equal to a million pesetas.

In other words, not more than one million to be invested in all.

If the reserves were less in value than one million pesetas, seventy-five per cent of the said reserves to be invested.

Various detailed instructions as to the method were added, probably intended to show that the Spanish government meant to watch the value of the investments very closely.

Furthermore, it was ordained that companies retiring, must deposit what is called the amount of the credits of the Spanish assured (unearned

premiums), such to remain in the country until all claims were paid.

Deposits made were not withdrawable as long as the company transacted business on Spanish territory. There were various regulations as to the powers of investigation by the government into the business of the company, and the penalties imposed in connection with fraud, all showing an utter lack of appreciation of the provident nature of insurance.

A new insurance law was, however, passed in May, 1908, which canceled all previous regulations, and which governs insurance in every way. Companies now must have all their capital subscribed and at least twenty-five per cent of it paid up, unless the paid up capital and the reserves come up to twenty-five per cent of the capital. Native and foreign companies have to deposit five per cent of their capital (paid up) with the government, this deposit not exceeding pesetas 100,000 for fire companies.

Companies have to pay income tax, which is calculated at two per cent on the premium income, also a further stamp duty of 0.03 per 1000 pesetas of sum insured, plus the ordinary receipt stamps.

There are no state insurance institutions, but there are a good number of mutual societies in almost every town in Spain, besides which there are some seventeen or more ordinary private native insurance companies.

Spanish practice is somewhat of a mixture, being in the main analagous to that adopted by English companies working abroad under their uniform policy conditions, but also tinged in some respects by French ideas. This is probably due to the fact that, for many years past, some of the principal French companies have operated in Spain. Thus, for instance, the insurance of "recours" and of chomage is in evidence, although not practiced to any extent. Long term policies are based upon the French idea.

In making a proposal, the insurer may fix the sum to be insured according to his own conception of the value of his property, and need not, as in some European countries, have the same valued before insuring. On the occasion of a fire, the settlement is made in the ordinary way, the average (coinsurance) clause being one of the conditions in nearly every policy issued. With regard to reinsurance practice, not much need be said, the routine being practically the same as elsewhere. As indicated above, long term policies are issued, the premiums being payable annually and reductions being made according to the length of the term.

The company has the right to terminate the policy at any time; but in view of the premium reduction allowed, and the concession that the premium may be paid in annual proportions, the insured cannot close his insurance unless with the consent of the company. In the event of the company acceding to the insured's request for cancelment, it is usual for the

company to charge from half a year to one year's premium extra; but it is quite optional for the company to do so and it can always sue the insured for the balance of the full term premium.

The fire extinguishing service is not particularly good. In Madrid, Barcelona, Santander, and a few other important towns, there are reasonably good fire brigades; but in the smaller towns, and in the country districts, the fire service is practically non-existent.

ITALY

May fairly be said to be the cradle of insurance. It is supposed that the idea originated with the Emperor Claudine in A. D. 43, who may have had it from the Egyptians. Certain it is that insurance was in general use in Italy about the time of the twelfth century and that proper forms of policies were current in Florence in 1523. Deeply interesting and instructive as it would be to trace out the development of insurance, both marine (the parent) and fire (the offspring), and the influence which Italy has had upon Europe in this respect, the scope of this paper obliges us to confine our attention to the facts of the present day. Italian fire insurance practice is now governed by the provisions of the civil code, which, in many respects, is analogous to the French code. The law of mutual responsibility and the protection of the insurer in the case of long term policies, has necessitated the adoption of methods very similar to those in use in France. State or municipal insurance does not exist in Italy. A few mutual insurance institutions are in operation but the bulk of the insurable property is covered by the Italian stock companies. Fire insurance companies must be duly registered, in the same way as any other commercial undertaking, and have to pay 5 per ct. for the first thousand lire and 1 per ct. for every other thousand lire of their capital, the only difference being that a fire insurance company may be constituted with one-tenth paid up of its capital, instead of the three-tenths required for other undertakings. Companies have also to pay some trifling charges known as the "riechezze mobile," and they must draw up their annual balance sheet in accordance with a form ordered by the government. Policies are usually issued for a term of ten years, though sometimes for a term of five years; the premiums are payable annually. Long term policies are automatically renewed for a further term of ten or five years, unless notice is given six months before maturity.

In the event of the movable property insured under a long term policy being sold or transferred to another party, the policy is canceled; but if a building is sold or transferred, the policy must either be properly endorsed to the transferee or buyer with the company's consent, or the insured must pay a penalty of one year's premium.

In case of failure or insolvency of the insured, the liability of the company under the policy immediately ceases to attach and the policy is voided.

The amount of the insurance may be fixed by the insured as in England and elsewhere, but, in the event of loss, the value is assessed and the settlement made in the ordinary way, due regard being paid to the application of the pro rata (coinsurance) clause, which is included in every policy.

Chomage insurance, apparently, has not as yet found favor in Italy.

The fire extinguishing service varies a good deal; in the principal towns fairly good brigades exist, but in the smaller towns and villages there is little or no protection.

The rating of risks is in the hands of an Association of companies, which association is known as the Concordat.

As an insurance field Italy has had but an indifferent reputation, especially amongst the foreign reinsurers of Italian surpluses. Owing to the various political changes, the proper development of commercial and industrial undertakings was in the past seriously retarded; and as a necessary consequence insurance results could not show to much advantage although even under these conditions some of the Italian companies were able to show a fair trading return. Of recent years however a decided improvement has taken place and local report states that for the last 5 years the results have been distinctly good, the only drawback being the high expense rate (stated on good authority to be in some cases as much as 50 per cent.) The causes of this improvement are many and varied. The establishment of a constitutional government has encouraged enterprise and business generally.

The recognition of sprinklers and other means of protection against fire waste is a significant sign of the improvement everywhere noticable.

Many of the principal factories are now fitted with sprinklers; and an agreement exists which ensures their efficiency. (N. B. When insured with Italian companies.) Building construction is of good quality, most of the houses both in the towns and in the country districts bearing favorable comparison with those in England. It must not be lost sight of, however, that these indications of development and progress are chiefly confined to the northern portion of the kingdom. The south of Italy is still backward and the terrible visitation of the 28th December, 1908, cannot fail to leave its mark for some time to come on the development of the whole area.

SWITZERLAND.

To the student of fire insurance history, this country presents features of peculiar interest. As is well known Switzerland consists of a federation of some 22 states or cantons. These cantons are self governing communities, not in any sense provinces, of which the legislative machinery generally

consists of an elected popular assembly, and a small executive, the latter chosen by the former. Now here we have the idea of insurance originating from the very midst of the community, not as a private commercial undertaking, as in most other countries, but from an inherent sense of the responsibility of the community to its members. The question of how the community could afford the necessary protection against the ravages of fire had occupied the minds of able and patriotic men for many years before a reasonable solution could be found to the financial difficulties which presented themselves; but it was not until the year 1803 that the first cantonal institution was established, at a time when the newly reformed cantons under the guidance of the restored federal government vied with each other in proving their rights of existence and vitality. The origin of the first cantonal institution was however primarily due to outside influence.

The district known as the Frickthal had, whilst under Austrian dominion, enjoyed the advantage of the protection of an Austrian local fire institution. When, in 1797, it was ceded by treaty to the French, and subsequently in 1802 was again formally incorporated with the canton Aargan, this fire protection ceased, and in consternation the inhabitants turned for help to the cantonal executive, who, seeing the need, undertook the maintenance and control of the Frickthal section of the institution or brand-casse on existing lines. As by this action a portion of the canton Aargan had a state insurance institution, the idea of a general cantonal institution soon ripened, and, on the 16th May, 1805, a law was passed creating a general fire insurance institution for the whole of the canton Aargan, not only for the purpose of protecting the property of the community but also because it was held that such an institution raised the credit and well being of the Canton, i. e., that the insurance of buildings by the State increased the permanence of property, and that the knowledge of security against fire loss, afforded an incentive to the investment of capital in building enterprises, or to the purchase of house property. The example of the canton Aargan was speedily followed by other cantons, and although we cannot here detail the circumstances responsible for the establishment of the several institutions, it is necessary to state that, whilst the Aargan institution may have served as a pattern, each of the other cantons formed their respective institutions according to their own individual initiatives.

The idea may be said to have originated something like this: A common interest existed in the forests, Alps, and fields. The resources of the forests served all, without let or hindrance, in the erection of buildings. Works of public utility, such as road making, viaducts, etc., made use of the labor and service of the whole community, and in return gave employment and maintenance. The country being perpetually on the defensive,

a peculiar bond was recognized, and in the event of calamitous occurrences all were called upon to assist. The levies or general collections made for such occasions, little by little gave shape to the idea of fire insurance on their own account. One by one the several cantons formed and established institutions which, although all developed from the same fundamental idea, yet varied considerably from one another in their scope and practice.

The cantonal fire insurance institutions were controlled and directed by the state officials, and the indemnification rested upon the basis of the mutual responsibility of all insured owners of buildings, i. e., the loss of each year was apportioned to each insured according to the amount of his insurance, the state acting as collector and as disburser of the loss amounts, or a yearly premium was fixed, and, in the event of the aggregate sum or available funds not being sufficient to cover the loss sustained, an additional premium was charged, payable within the same year, or spread over a term of years until the loss was covered, the state, in the meanwhile, making the necessary advances and taking up a provisional loan.

The idea was laudable, but the first attempts at working it out were crude. Roughly speaking, the mode of procedure (of course with variations) was something after this style. A calculation was made (1) of the total number of buildings in the locality, (2) of their estimated value and (3) of the probable number of fires within the year. An approximate figure of loss being thus guessed at, the rate of premium was fixed at such a percentage on the total value as would suffice to meet the estimated loss. Consequently all risks were at first rated alike. No classification of risks existed and insurance with other insurance bodies was forbidden. Regulations were also issued for the proper construction of buildings, for police supervision, and for extinguishing service. For the first decade or two, all went fairly well, but then it became evident, as may be seen from statistics, that something was wrong somewhere—in spite of all building and fire and police regulations, in spite of the fixing of lightning conductors and other precautionary measures, the losses of the cantonal institutions always reached higher figures than the premium receipts, and then it was realized that other measures were needed to put matters upon a better basis.

A limit, varying in different cantons, was put upon the amount of insurance on each building; classification of risks was introduced; the construction of buildings was more strictly regulated; it was forbidden to erect new houses with so called soft roofs, and, in some cases, soft roofs were required to be replaced by so called hard roofs. Furthermore, a more exact valuation of buildings was required.

This was, in some cantons, allowed to be done by the owners themselves under state supervision, and, in others, by specially appointed valu-

ers. Later on again it was realized, after the experience of several exceptionally large fires, that provision must be made to cope with such contingencies, and this led to the formation of reserve funds, and then, interesting to note, came the idea of further limiting the liabilities of the local institutions by means of reinsurance.

It must not be supposed, however, that all these advances in the science of insurance were made simultaneously.

Each of the cantons was a self-governing community, and each had to gain its experience separately; consequently, the variations in the practice of each canton grew as time went on, some making insurance of buildings in the cantonal institution obligatory, some allowing it to be a voluntary act, some excluding certain risks and others including them, some limiting the amount of insurance on buildings to a certain proportion and others not, etc., etc.; some permitting the operations of private fire companies, and others excluding them, besides variations in the building regulations and in measures relating to fire protection. One thing is, however, noteworthy, namely that in spite of all the opposition to private insurance companies which at first existed, these were afterwards recognized as a necessity. Although the private companies primarily entered the field as insurers of movable property, household goods, and such like, the exclusion of certain risks by the cantonal institutions, and the necessity of these finding a market for their surplus lines, gave them the opportunity of establishing themselves (certainly only to a limited extent) on the regular and orthodox footing.

Besides the cantonal institutions for the insurance of buildings, some of the cantons undertake the insurance of household property. The first native institution for this purpose was founded in the year 1825 at a time when there were some eight foriegn competitors in the field. It was started by men who, from sheer patriotism and without any thought of gain for themselves, were desirous of providing for their fellow countrymen, an institution under state control and on mutual lines which would grant insurances on better terms, and at lesser rates, than those offered by foreign companies. As with the cantonal building institutions, the methods of working at first were crude; but the idea "caught on" and with the experience of other institutions as a pattern, improved methods were rapidly adopted and the financial results were on the whole satisfactory. In 1866 a fresh departure was made, in that it was felt that the distribution of liability should be placed upon a broader basis and that an extension of operations into the neighboring countries was advisable. The nature of acceptances was carefully limited, and authority was given to reinsure sur-

plus lines with first-class companies. A reserve fund was accumulated and in course of time grew to such respectable dimensions that a reduction in rates was deemed practicable.

Subsequently all insurance companies were placed under state supervision for motives of public policy, because it was recognized as essential for protection of the people that the financial status of each insurance company should be as clearly established and known as that of the state institution.

The foregoing remarks must be taken as but a brief rough outline of the development of insurance in Switzerland. As stated before, each of the cantons is a self-governing community and as each has developed the matter from its own particular needs and requirements, the variations of scope, practice, and regulations are, however, so numerous that to deal with the subject fully would require more space than is possible in this essay.

Looking at the country as a whole, we find that Switzerland is a unique example of state insurance for it has there justified its existence and been of great benefit to the country. A private insurance company has the advantage of having a large area of operation, a wider range of risks and a greater variety of insured, as well as far more freedom in the selection of insurances than the state institution; but whilst these advantages are of course excellent and very important, the state institution in Switzerland, though confined to a comparatively small area, and having less freedom of selection, has had granted to it the power to regulate building construction, to issue and enforce rules for the proper care of all classes of risks, to arrange for proper official inspections, and to organize and support fire brigades and other necessary protective measures, thus specially protecting the interests of the institutions and the insured alike. In Switzerland this has been most noticeable; also that the insurance has not been brought into the country as a commercial undertaking needing to accommodate itself to its surroundings, but has arisen from within, has been scientifically thought out by able and patriotic men, and was established exclusively for the benefit of the country and its citizens.

Of course the Utopia of insurance in Switzerland would be the amalgamation of all the state institutions of the country into one central institution with branches in the several cantons and uniformity of practice and conditions.

This desideratum, though often thought of and discussed, has not yet ripened, but, with the historical past before us, there is no reason to doubt the possibility of the future in this direction.

Chomage insurance is carried on in Switzerland as follows:

The amount insurable against chomage may be fixed at a maximum of ten per cent or twenty per cent of the sum insured against fire and may be applied in fixed proportions to the following classes:

(1) Deprivation of use and occupancy, cost of temporary installations and reinstallation, loss of rent.

(2) Working expenses continuing during the chomage (stoppage or suspension) such as workmens wages, hired motive power, cost of keeping in repair the working plant.

(3) Special expenses incurred by the insured in consequence of the fire, cost of valuations, cost of reconstitution of business books, possible damages owing to inability to execute orders.

The rates of premium applicable to the sums insured are respectively fifteen per cent, twenty-two and one-half per cent and thirty per cent of the "fire" premiums with a minimum of five francs. The losses are assessed by experts and separately ascertained for each class, but must not exceed ten, fifteen, and twenty per cent of the proportions insured. Before any adjustment the insured must place at the disposal of representatives of the company and of the experts, the documents necessary for the equitable determination of the indemnity, the payment of which is deferred until after the reconstruction or reparation of the buildings affected by the fire.

With reference to the kind and quality of the risks in Switzerland, we have seen that particular attention is paid to the construction of buildings, that soft roofs, so called, are, wherever possible, replaced by hard roofs, and that fire extinguishing service is well organized; for the cantonal institutions are authorized to contribute to their support and maintenance out of their reserve funds.

Furthermore, it has been ordained in several cantons that groups of buildings should be either detached or be separated by fire walls.

TURKEY.

Turkey is one of the only countries in Europe in which fire insurance has not been evolved naturally.

Insurance was practically unknown in Turkey until the year 1865 when four English companies commenced to operate in that country almost simultaneously. For the first five years the venture did not meet with much encouragement, as the native mind received the Westerners with suspicion and prejudice, and it was not until the year 1870, when Pera was almost wiped out of existence by a disastrous conflagration, that the Turks awoke to the consciousness of the benefit of insurance protection. The English companies paid up promptly and liberally, and thereby won the confidence of the public to such an extent that, although several conti-

nental companies entered the field immediately afterwards, English policies, though granted only at higher rates of premium, were for some considerable time preferred to those of their competitors. About this time the English companies formed a tariff association, which, however, was not subscribed to by the continental companies who, in their competitive eagerness, further advertised themselves by making some exceptionally liberal settlements, and by these means built up a large business. Matters dragged on in this unsatisfactory way until the year 1892, when, with the support of the Turkish government, the Tobacco Regie and the Ottoman Bank, the Ottoman insurance company was founded, and thus another formidable rival entered the field. Rates had to be reduced, and in 1897 the tariff association, which the English offices had all along gallantly endeavored to uphold, had to be abolished, and the natural result followed. Inadequate rates and injudicious settlements bore fruit in a serious increase of fires, many of which were no doubt due to incendiarism.

After much negotiation and, seemingly, endless difficulties, a tariff association was again formed in 1900, and, although the tariff and statutes created left much to be desired, the cut-throat competition was arrested and insurance business was placed on a better basis.

In spite of this, however, the insurance field in Turkey has not been of a profitable nature, which is not surprising. The relaxation by the insurers of essential precautions and principles, and the indulgence in wild and injudicious competition and loss settlements, have had their inevitably deteriorating effect upon the insuring public.

For some years past also, the hostility of the government has had to be contended with. In the provinces, the authorities, acting upon instructions from Constantinople, placed obstacles in the way of fire insurance companies, preventing them from freely carrying on business. For instance, to obtain a license, the companies had to register themselves at the ministry of public works, which department, although it did not openly refuse registration, treated all applications after the usual Turkish manner.

Fire protection in Constantinople is not well provided. There are a number of irregular brigades, but they are provided with hand pumps only. There are three government brigades with fairly good outfits, but all in an indifferent condition.

Moreover, the Sultan's authorization is required before they can leave the barracks, which means that it sometimes happens that the brigade remains waiting in the barracks whilst the fire burns.

Signs, however, are not wanting that better times are in store; a considerable percentage of property still remains virgin soil for the insurance companies, and with careful underwriting, and a continuance of the present

promise of a more enlightened government, there is reason to feel hopeful of a fair trading return in the future.

The obligations of the insurance companies to the State are not onerous. Under the law of 1906 there is a stamp duty which is payable by the insured. The duty is as follows:

10 Paras (about ½d) on a sum insured of Piastres 10,000 (£90) or less, or say

1 Piastre for Piastres 40,000, or say 6d (1-40th) per £1,000, sum insured for policies for more than three months, and

3d (1-80th) per £1,000 for insurances of three months or less.

In case of infringement or non-observance of the regulations, the penalty amounts to fifty times the duty payable.

In case of insufficient duty being paid, the difference is payable, and a penalty proportionate to the difference.

The penalty is payable by the party responsible for having issued the documents subject to the duty.

RUSSIA.

Previous to the year 1896 insurance business in Russia was carried on by private stock companies who reinsured their surplus amounts with foreign companies by means of reinsurance treaties. About that year however, the government being of opinion that too much money found its way into the coffers of foreign competitors, fomented the cry of "Russia for the Russians," and in conjunction with the native companies, worked up an agitation which culminated in the formation of a National Reinsurance Company, with a capital of Rs. 6,000,000, one-half of which was subscribed by the Russian companies, and the remaining half by the public. This National Reinsurance Company guaranteed 20 per cent of all Russian companies surpluses.

Now, it is forbidden by law to insure outside the Empire against the risk of fire, any property located therein, the fine for a breach of this law being 3 per cent of the amount insured, for each insurance year. There is, however, kindly excluded from this law insurance on property, the acceptance of which has been declined by all Russian fire insurance companies for any legitimate reason of their own, and also property for which a higher rate than 2½ per cent has been usually charged. All fire insurance on property in Russia therefore had to be offered first to the native companies, who, if they accepted it, were obliged to reinsure 20 per cent of any surplus above the amount retained by them for their own account, with the National Reinsurance Company—of the remaining 80 per cent of any surplus, 30 per cent had to be ceded to native companies by way of reinsurance, and 50 per cent might be reinsured with foreign companies.

At first sight the restricted sphere of this reinsurance might appear startling, but we must bear in mind that in Russia as well as elsewhere on the continent of Europe, it is perfectly understood that a company accepting business by way of reinsurance, is quite at liberty to provide for it as it likes, and either retain it all, or pass it on to another office or offices at a profit. Sub reinsurance thus became the rule. Subsequently a modification of the law took place, and for a few years 20 per cent of any surplus had to be reinsured with the National Reinsurance Company and 16 per cent with native companies, the remaining 64 per cent being reinsurable with foreign companies if desired. Some ten years ago, however, this system of protection has been done away with and I understand that Russian companies may now place their surpluses with whomsoever they please, and although several companies from patriotic motives still use the National Reinsurance Company and other native companies in preference to their foreign competitors, the greater number have reverted to the original practice of disposing of their surplus lines by means of treaties with foreign companies.

As a field of operations, Russia has never been quite satisfactory; indeed, so serious was the situation that in 1898 the Russian companies held several meetings to discuss the state of affairs. A bureau was established for the regulation and control of rates and other matters, to the adjustment of losses. Although rates have been raised and revised time after time, there has been as yet but little sign of improvement; indeed the results may be characterized as "bad." Fire insurance results, however high the rates may be, can never be satisfactory unless the condition of the country is satisfactory.

AUSTRO HUNGARY.

Prior to the year 1852, fire insurance apparently was viewed by the official mind in much the same light as any other business, but in that year on the 26th November, an Act (No. 253) was passed which dealt with associations in general, and this may be said to be the preliminary legal basis on which insurance companies in this empire operate. In the year 1896, however, further legislation was deemed advisable and accordingly special regulations for insurance companies were then promulgated, which are in force at this time. It is, however, well known that the whole subject of insurance protection has for some three years past been receiving very careful attention at the hands of the governing powers, and that in December, 1907, the main points of a proposed law on the contract of insurance were submitted to parliament for discussion.

Although nothing definite has however as yet resulted therefrom.

At the present time the native companies operating in Austro Hungary may be divided into three classes: (1) the Joint Stock; (2) the Private Mutual, and (3) the public mutual institutions (Landes Anstalten.) Both the joint stock and the private Mutual companies are obliged to have a concession or permit to transact business, but the former are required to have a minimum paid up capital of Cs 200,000 for every branch of insurance carried on, the total amount in no case to be lower than Cs 600,000, whilst the latter must have a minimum fund for first investment of Cs 400,000. The statutes and policy conditions of both are subject to the approval of the government. No special license fee is necessary in either case, but certain fees are by law payable annually for government supervision. Taxes and stamps are also payable, but the complications arising from the multiplicity of the Austrian laws relative thereto, are such that details are necessarily omitted here.

The Landes Anstalten are public mutual institutions which differ from the private mutual companies in that the fund of organization, first investment, is made up in a single province, Kronland. Such institutions have been organized by several provinces; they are conducted under the supervision of the administrative functionaries of the province, and a considerable part of their net profits is turned into the funds of the province and (or) of the municipalities within the same, as well as to the funds created for supporting the various fire brigades.

The Landes Anstalten are subject to the same control as the private companies, and they have to pay the same charges and dues as private mutual companies. Although these Landes Anstalten are state insurers, it is not obligatory upon any one to insure with them.

The system of "Recours" insurance is not used in Austro Hungary, neither as yet is that known as "chomage" or consequential loss insurance; indeed the latter is strictly excluded from manufacturing risks, and the only approach to the idea is in the insurance of house rents which is carried on by some companies.

Long term policies are issued frequently for terms of five, seven, or ten years, premiums being either paid in advance for the full term or else annually. Reductions of premiums for long term policies are different in several ways for manufacturing and simple risks and in different provinces, but an approximate standard may be quoted as follows:

(a)	If paid in advance—For a term of	5	years	1-5	off
	"	7	"	2-7	"
	"	10	"	3-10	"
(b)	If paid annually— "	5	"	10 %	"
	"	10	"	20 %	"

The policy holder has not the right to withdraw from the contract before the expiration of the agreed term, and the company has full power to enforce the payment of the premium for the whole term. If, however, the company desires to cancel the contract, the policyholder is entitled to a reimbursement of the unearned premiums paid in advance, inclusive of long term reductions.

Annual policies may, of course, also be effected, and these are renewable by receipt or certificate, as in England.

When effecting an insurance, the insured may fix any amount that he likes, as the sum to be insured, as it is not necessary, as in some other countries, to have a valuation of the property made beforehand; in case of loss, therefore, the sum insured is not the basis of settlement, but the value of the property. Sometimes, however, in the case of manufacturing risks, a special valuation is made previous to insuring; even then, however, the basis of settlement is the value of the property.

The policy conditions of all companies are based upon the usually accepted lines and the average (coinsurance) clause is always included.

The volume of insurable property, as well as the variety thereof, is indeed all that could be desired; but the results of the business have shown that particular care is required in the selection of risks. We must realize that, except in Vienna and some other principal towns, about fifty per cent of all the buildings in lower Austria have soft roofs, and that the percentage in the remainder of the empire is still higher. Furthermore, the building regulations do not appear to be particularly strict, nor do the population seem to be alive to the necessity of taking elementary precaution to guard against fire.

Some years ago, in consequence of the unsatisfactory condition of fire insurance business in Austro Hungary, officials met together in consultation, and it was revealed that amongst the chief causes of the bad results were, the predominance of soft roofs, the faulty construction of chimneys, and the lack of periodical and necessary sweeping of chimneys.

Any evil once recognized can be dealt with, and the able men at the head of the native insurance companies may be trusted, in the future, as in the past, to deal with these and similar matters of difficulty in the right way.

In respect to the fire extinguishing service, report speaks favorably; the brigades are well organized, appointed and equipped, and we may take it that the chief towns in the empire are almost as well provided in this respect as those of England.

GERMANY.

To give an adequate description of the insurance conditions prevailing in the empire of Germany is a task bristling with complications. This empire is a federation of many states, self governing to a certain extent, and yet under a system of federal control. Each state has its own individual statutes which hold good only so far as they do not conflict with the overriding federal laws. In order, therefore, to obtain a clear understanding of the insurance position, we should have to take in hand each state by itself, ascertain its individual statutes on the subject of insurance, and then take the federal law, and see in what way and to what extent, these statutes are overridden. It will be apparent to every one that this process of dissection and extraction would need more time than is at our present disposal and would besides entail an infinite amount of study, which the result, for the purposes of this essay, would hardly warrant. The overriding federal law relating to insurance is about ten years old.

This law deals entirely with mutual and private insurance companies and regulates their obligations toward the state and towards the insured. Every company wishing to transact business must have a concession or permit from the government, and in order to obtain this must lodge full particulars of its constitution and objects, the projected range of its operations, of its financial status, as well as of its policy conditions, etc. These conditions must include certain specified provisions, clearly indicating the contingencies for which protection is granted, the circumstances under which liability ceases, the payment of premium, the routine to be followed in case of cancelment, reduction of amount, alterations, etc., the regulations for cases of disagreement and for arbitration, etc.

If all these requirements are complied with, the permit is granted. Any subsequent variations must be notified to the government and must receive official sanction, and failure to comply with any of their obligations renders the company or the members of its executive, as the case may be, liable to punishment.

The question of a minimum capital is not considered by the state, as the authorities judge independently in each case, whether the capital of the company is sufficient in proportion to its contemplated operations. The matter of a deposit, and if so how much, is also independently passed upon by the state authorities.

The companies have to pay income tax according to the requirements of each individual federal state (each federal state has its own particular income tax law, as the German empire as such has no general income tax law) and the same applies to the stamp tax.

Insurance institutions controlled by individual federal states are exempt from income tax and stamp dues.

In certain cases it is obligatory to insure with these insurance institutions, and, as an instance may be cited the Hamburger Feuer Kasse, which operates exclusively the insurance of buildings within the municipal area of the city of Hamburg, and all insurances on buildings in that district must obligatorily be offered to that institution.

In dealing with the public the insurance company is bound to produce to the intending insured, before the execution of the contract, a copy of its general insurance conditions, and, in the event of these being in any way restricted or curtailed, the insured must beforehand be advised thereof and must signify his agreement thereto in writing.

Besides the private and mutual companies, of which there are a great number in Germany, there are also numerous state insurance institutions, some of which are monopoly institutions (Stadtische, Land or Gemischte Feuerkassen) whilst others, not possessing a monopoly, are known as Stadtische, Landliche, or Gemischte Societaten.

These state institutions, notably the one in Hamburg, were amongst the earliest efforts at insurance protection in Germany, which shows us that the idea originated from the principle of communal interdependence and not from commercial enterprise.

The several kinds of insurance institutions may be stated as follows:

1. Private insurance companies who carry on the business of fire insurance for profit. These are under the constant supervsion of the state through the imperial control bureau.

2. Private mutual insurance societies which exist solely for the benefit of their members and not for profit.

3. Mixed insurance societies conducted on the mutual principle, and also granting insurance at fixed premiums for profit.

4. Communal, provincial, municipal, agricultural, etc., institutions which carry on fire insurance on the mutual principle within a particular area, and are under the control of the local authorities but are not regarded as state institutions.

5. State insurance institutions which are organized and controlled by the state. Some of these state institutions are what is known as monopoly institutions, which means that it is a legal obligation for certain property, such as buildings, within their particular area to be insured with them.

The whole trend of the federal law is to protect the insured specially; and therefore many things that were customary at one time have been modified. For instance, it used to be permissible for a company to cancel the policy without return of premium if a loss occurred amounting to more

than five times the figure of the premium; but now an insured can appeal to the supervising bureau against such a course of procedure, which, of course, has nothing to recommend it. Apart from this influence, however, and the ordinary variations which are unavoidable in very large areas, the general practice is much the same as that prevailing in Austria. "Recours" insurance is not in use, neither has chomage or consequential loss insurance met with much favor as yet. Long term policies are constantly being issued and are payable in advance for the full term or annually. Reductions of premiums on such policies vary in different parts of the empire, but an approximate standard may be quoted as follows:

1 free year on a policy for 5 years } premium payable
2½ free years " 10 ,, } in advance

Long term policies payable annually usually have only a very small discount allowed, and sometimes none at all, and the insured must give three months notice to obtain the company's consent if he wishes to cancel the policy at any renewal date.

As to the cancelment of long term policies during their currency, there is no fixed rule, the policy conditions being considered sufficient.

Ordinary annual or short term policies are renewable by renewal receipt as in England unless for some special reason a new policy is necessary.

When insuring with private insurance companies as a general rule the insured fixes his own sum insured but in many parts of Germany the amount of insurance is fixed according to a valuation of the property made for purpose of taxation.

This valuation is generally made by an expert and is estimated to hold good for a certain period of time, after which the property must be valued again. On effecting insurance the expert's valuation is produced as a proof, and in many cases the name of the expert as well as the date of the valuation is specified in the policy. In the event of loss the said valuation is taken as a basis and the loss is paid less depreciation. In the case however of state or municipal insurance institutions the insurance is usually fixed obligatorily in accordance with a valuation.

The settlement of losses is taken in hand very seriously in Germany, and is indeed, in most instances, quite a scientific business. The average or pro rata coinsurance condition is included in all policies.

Reinsurance practice shows no distinctive differences from that in other parts of the continent but it may be mentioned here that reinsurance treaty business is extraordinarily well developed in Germany.

As an insurance field Germany is full of variety. The volume of insurable property is great and the quality, on the whole, good. The towns consist of well built buildings and the regulations for the prevention of fires are well thought out. The fire extinguishing service in the large towns is first rate, and, in the country districts, on a par with that of other western European nations. Agriculture is in a flourishing condition—fruits and vegetables are grown in enormous quantities.

NORWAY.

Here we have a physical state of things very different from the countries we have hitherto noticed. Only about two per cent of the total area is devoted to agriculture, some 24 per cent is covered by forests, while the remainder is barren mountain and moorland; consequently business is necessarily bound to be more or less restricted. The farms are mostly small, and farmed by their owners, but in her forests and fisheries Norway possesses very valuable national resources, which give scope for enterprise and industry.

All these, with the risks attendant thereon, and the dwelling house property, may be classed as hazardous, as the construction of buildings is largely of wood and the fire extinguishing service, except in the principal towns, is not of much account, but against this must be set the sturdy nature of the people, and the influence of a good government.

The question of insurance protection has occupied the minds of the Norwegians for many years, and as early as the year 1767, a public fire institution known as "The General Fire Insurance Institution for Buildings" was ordained by Royal Decree. In this institution, which still exists, and is on the mutual basis, buildings throughout the country are voluntarily insured against damage by fire. The law and rates governing its working are made and fixed by the government, and its administration is vested in public authorities, the most important administrative questions being decided in the last instance by the King. At the close of the year 1903, the institute having a total sum insured of about £75,000,000, was divided into separate departments, one for the scattered dwellings in the country, and the other for the town habitations. Almost the whole of the dwelling houses in the Norwegian towns are insured in the Institute, the total insurances amounting to about £53,000,000. The premium, which by law is imposed upon the members of the Institution, is calculated according to the nature of the construction and the uses of the buildings insured, on the basis of the results shown over certain periods, and is reasonably low. As the ordinary premium however is not intended for the purpose of

securing an accumulation of funds to meet exceptionally heavy and unforeseen losses, the law provides for the imposition of additional premium on the same principle as the ordinary premium above mentioned. That the members may not be too heavily burdened, the payment is spread over a number of years, say five, so that the fire premiums for those years will not be raised to any appreciable extent. In order to do this, it is necessary to raise a provisional loan, the security for which is provided for as follows: By law the fire premium, ordinary as well as additional, constitutes a first mortgage on the properties insured, in the same way as the public rates and taxes. There is thus a preferential mortgage on the properties insured for the installments as they fall due, and if the owner does not pay within the limit of grace, the property is distrained—consequently the lenders have indirectly ample security for their money.

Besides the above mentioned state insurance institution, there are many small mutual companies which accept insurances both on buildings and contents, and lastly there are the ordinary stock or private companies.

There is no insurance law in Norway at present, but it is expected that within a very few years the government will take up the matter, and promulgate regulations as to control, securities, deposits, etc. In the meantime, companies must be registered, and the ordinary stock or private companies have to pay taxes on their profits and capital, whilst the mutual companies and the state institution are exempt from these charges. There are no stamp duties in Norway. Policy conditions are very much the same as those on the ordinary English foreign forms, but for the last two years a committee has been at work upon a draft of uniform policy conditions, which it is hoped will be adopted by all the private companies.

Long term insurances are also granted, viz:—for a term of five years, at a charge of four years' premium, payable in advance, and these may not be canceled except in the event of alterations, when they must be replaced by a new policy for the same period, and in no case is any premium allowed to be returned. Ordinary annual policies may, as in England, be renewed by receipt.

Valued policies, i. e., when the property is valued before insuring and the sum insured is fixed according to such value, are in common use. In case of loss the sum insured is the basis of settlement, with a deduction for ordinary wear and tear.

The question of consequential loss insurance is now under discussion, and it is probable that a considerable business will be done in this branch of insurance.

Sprinkler protection has not as yet been adopted in Norway, owing to the very small rebates quoted by the companies, but there are indications

that during this year encouragement will be given in this direction by raising the rebate to 40 per cent on certain factory risks, and the result ought to be good.

SWEDEN.

It is not surprising to find that Sweden, as one of the kingdoms of the Scandinavian Peninsula, possesses many points of similarity with the now sister kingdom of Norway. By the treaty of Kiel, on 14th January, 1814, Norway was ceded to Sweden, and until the recent bloodless revolution, the two countries formed one united kingdom, each under its own national assembly or parliament. Although the two peoples apparently could never properly assimilate, it is but natural that any long association should insensibly bring about certain similarities in organization and practice. The nature and resources of the two countries also helped in this direction. Only a small part of Sweden, about 20 per cent, is under agricultural cultivation, and quite two-fifths of the total area, which is nearly double that of Great Britain, is covered by forests of pine, fir, larch, oak, ash, etc. This preponderance of wood renders Sweden a country liable to conflagrations which, though not very frequent, at times have assumed serious proportions. The series of conflagrations in Sundsvall and other towns, some years ago, will yet be fresh in the minds of most insurance men, who can well recall the disastrous influence which these almost simultaneous conflagrations had upon insurance results.

This danger is, however, not so great in Sweden as it would be in some other countries, as the character of the nation must be taken into consideration, and this, added to industry and enterprise, together with such precautionary measures as are possible, the existence of a fairly good fire extinguishing service, makes for favorable comparison with other countries where timber risks are in the majority.

Apart from the matter of construction, the insurance field presents good features. The country is rich in minerals, besides which the industries are varied and considerable, sugar, cotton, breweries, manufacturers of tobacco, paper, cloth, furniture, matches, leather, papier mache, bricks, glass, chemicals, and woolens, etc. The fisheries also are important, and these again have their dependent risks. There is, therefore, no lack of insurable property of good quality, and the native companies, by dint of care and discrimination, have on the whole been successful in their underwriting operations.

There are two classes of fire insurance companies in Sweden, the "Joint Stock," and the "Mutual," the latter being apparently the first to originate. Insurance companies must be duly registered and the capital is

fixed according to the nature and extent of the business intended to be carried on. No license fee is required, but there are certain taxes payable to the state or to the municipality. There are no stamp duties, except on shares when a company is organized or its capital is increased. The fire companies are under state supervision by the "Insurance Inspection Bureau" (Forsakrings Inspektionen) and the law governing insurance practice generally (Lagen em Foesakringrorelse) is dated 23rd July, 1903. State fire insurance is not known in Sweden, there being but one state insurance institution in the kingdom, and that for accidents only.

The system of "Recours" insurance is not used, in consequence of their being no legal necessity, but chomage, or insurance of loss of profits, has gained a footing and is now accepted by most native companies.

When effecting insurances, the proposer is at liberty to fix any sum he chooses on his property, the actual value being only required to be ascertained in the event of loss. Long term policies are common, and are, with few exceptions, payable in advance for the full term. The circumstances under which they may be determined are usually detailed in the printed policy conditions. Ordinary annual policies are renewable as in England. The condition of average (coinsurance) is used in all policies and reinsurance routine presents no distinctive features from that prevailing in other parts of Europe.

The installation of automatic sprinkler equipments is becoming common in Sweden.

We have now glanced at twelve of the countries comprised in the continent of Europe; the few remaining ones, time does not permit me to touch upon, but the omission is of no great importance, as these, though individually interesting, have no particularly distinctive features. Neither has there been time to attempt more than to give, as it were, a birdseye view of the continental field.

It is, however, impossible to make a survey of any given area, however cursory that survey may be, without finding food for thought and reflection. The experience of the past shows the slow but steady development of insurance following on the growth of knowledge and civilization; the risk of ten years ago is often not the same risk as the risk of today; and the future must assuredly see the attainment of a more perfect realization and adjustment of the whole system and idea. (Applause.)

The President—Gentlemen, you have heard this very interesting paper sent us by Mr. Gollmick, of the Alliance Assurance Company of London. I think we not only owe Mr. Medcraft a

vote of thanks for reading it, but, in view of the valuable information which it contains, I think this Association should tender Mr. Gollmick a vote of thanks. One of the things shown by the paper is an extremely low loss ratio in Europe. I made a note or two of some of the statements made by Mr. Gollmick in his paper. For instance, he tells us that in Holland policies are written for a period of five years, or rather issued for five and renewed for five years.

He also says that in Spain they are written for ten years, and upon expiration, renewed for ten years more. If we pause a minute and think what that would mean to us out here on the Pacific Coast, where frame buildings predominate, it becomes a very interesting fact, for in such a period of years, unless the building was very materially improved and maintained, its integrity would almost be lost.

A similar custom for the renewing of fire insurance policies existed in the Province of British Columbia, and was in vogue in the City of New Westminster up to the time of the conflagration which destroyed that place some ten years ago. During the adjustment of the claims resulting from this fire, policies were presented which had been in force over thirty years. These policies had been renewed from time to time by renewal receipts, and no correction had been made in the written portion of the policies despite the fact that many had been made in the subject insured. In fact, the hazard in a number of instances entirely changed. Naturally this caused considerable trouble and a consequent delay in the settlement of claims.

I must confess surprise that, despite the continuance of this custom of renewing fire insurance policies in Holland and Spain, the loss ratio is so very low. It is a practice that would not prove satisfactory to companies operating in the rapidly growing towns and (or) cities on this Pacific Coast.

There is much to be gained from a re-reading of the paper which has just been presented, and I would like to ask Mr. Med-

craft if it will be possible for us to have a copy of it at some future time.

Mr. Medcraft—"I do not know why you should not have a copy of it if you desire. Mr. Gollmick is a member of the foreign staff of the Alliance Assurance Company of London, and is a student of the fire insurance business. Therefore, the paper may well be regarded as of interest and value to us all out here."

The President—I may state further that there are also some excellent suggestions in Mr. Gollmick's paper, particularly wherein he refers to buildings and insurance conditions in France. There the construction of buildings and their equipment is done on a very thorough basis. I know this to be the rule, and Mr. Gollmick's statements recall to my mind a case that came under my personal observation a few years ago when on a visit to that country. I happened to be in a building that was in the course of construction, and I noticed workmen installing the electric system. So far as any ordinary person could judge the insulation seemed good. I visited the building regularly for a few days, and on one of them an inspector came along and engaged the foreman as I should judge, in conversation regarding the insulation of the wires. The inspector, as I learned afterwards, claimed the work was not up to standard, nor in full compliance with the regulations. The contractor argued to the contrary and refused to comply with the orders given by the inspector. The result was that the inspector put men to work and ripped out much of the defective wiring. I simply refer to this incident as an illustration of how thoroughly they do things not only in France but in other cities in Europe. There are other points touched on in Mr. Gollmick's paper that I also consider of great value to us. I repeat, therefore, that I believe it is only proper that this Association should tender Mr. Gollmick a vote of thanks for permitting us to have a copy of his excellent paper, and I will entertain a motion to that effect.

Mr. Gunn—I move that the Secretary be instructed to communicate through Mr. Medcraft, with Mr. Gollmick, and convey to him the thanks of this Association.

The motion was seconded, and unanimously carried.

The President—The next paper, on our program, gentlemen, is a paper by Mr. Will Stephens of Los Angeles, upon the subject "The Relation of Local Boards and State Associations to the Board of Fire Underwriters of the Pacific." I will ask Mr. Stephens to kindly come forward and read the paper to you.

Mr. Stephens—Mr. President and gentlemen, this being my maiden paper, I am going to apologize for it. I will just say that I boiled it down a little before I put it in final shape.

The Relationship of Local Boards and State Associations to the Board of Fire Underwriters of the Pacific.

Will Stephens,

Agent Palatine Ins. Co., Los Angeles.

Organizations spring from a natural desire of man to protect himself, and in this he is but following the lower organisms in nature's vast field. We learn from close study that organization exists in the mineral, vegetable, and animal kingdoms, these classifications, however, being guided by natural law or instinct, and a non-compliance with their laws is met with more severe punishment than man would dare mete out to his fellow, frequently being the death penalty in the feathered, fish, and animal realms.

It is only within the past few decades that the business world has awakened to the necessity and wisdom of combining, to the end that the greatest results may be obtained with the least effort and expense. This is largely true of the fire insurance business, as it embraces, perhaps, the largest field of importance in the commercial world, it is essential that it should have the most complete organizations, yet I believe we are far behind many other channels of activity—professional or commercial.

Were there no organization in the insurance world today, the business would be in a chaotic condition. I think this has been fully demonstrated to the satisfaction of every one who is conversant with the vocation and its environments. Where there has not been a local board controlling the

insurance interests in any large community, what do we find? Gross misrepresentation, rebating, and all other kinds of underhanded methods to obtain business, at almost any cost, which frequently has proven destructive to the local agent, and in many instances entailed losses upon the managers or the companies.

Organization, which should mean co-operation, tends to harmonize conditions, and were it possible to have complete co-operation, we should have such an entirely different situation that the insurance game would lose its most unpleasant features, and the business would reach such a high standard of perfection, that agents would take as much pride in the conduct of their affairs as artists do in their pictures; there would be but little controversy and few contests in the courts; the public mind would be clarified and not poisoned as it largely is at present, and the business would be respected instead of maligned.

I think we all agree that organization is an inherent wish, and if so, then it certainly becomes a necessity in order to curb our natural selfishness, but we must not lose sight of the fact that it is decidedly essential that all interests be given consideration in any plans or rules laid down for our guidance. We must not endeavor to merely achieve a purpose which will contribute to our own desires without protecting the rights of others, or we shall defeat the very aim we wish to attain.

I believe we are suffering today from too little uniformity in the business. We have not reached the height of perfection obtained in some other lines. The public regard for our business is not one of respect, but rather of criticism, and in a measure justly also, although in most instances it comes from ignorance, and whose fault is it? Yours and mine, because we have not held our calling on the high pinnacle to which it is entitled, and perhaps because there has been too little publicity. There are too many of us tearing down instead of building up; knocking the other fellow or the other company. We do not need to pay too much attention to the other fellow—water will find its own level. "Any dam fool can be a knocker," but it takes a man of character to say a good word for his competitor.

Let us crowd out the leeches, the shyster lawyers, the quack doctors, the curb-stone brokers, and the mere premium chasers of the business, whether they be agents or managers, and there will remain an element of wholesomeness, in whose atmosphere it will be both a pleasure and an inspiration to work.

Principle is right, lack of principle is wrong, and after all, monetary consideration is not the final desire of the human heart, but happiness and

gratification at having done right, and achieving success, no matter from what point you view it.

Loyalty, honor and integrity are not to be bought at public auction, and these are the elements upon which we must build if we are going to have successful organizations. We must have loyalty of an agent to his manager, of a manager to his agent, and of both to the interests of the business as a whole. An individual may debauch his calling, yet it is he who in the end pays the penalty and not the principle, that suffers.

In the relationship which the local boards hold to the Board of the Pacific, we must meet on common ground, we must get closer together than we have been in the past, and learn to respect each others rights, even to the point of "give and take." How are we going to achieve this? I believe it should start at the fountain head, at least it would simplify matters very much. If there could be a federation of interests, and a committee from the local boards in this jurisdiction could meet with the Executive Committee of the Board of the Pacific annually, or oftener if considered advisable, we might arrive at a goal satisfactory to all.

The country at large is in the throes of insurance revolution, and it is difficult to comprehend how valuable a good organization would be to us all, and what a saving could be accomplished through this means. The companies are looking for a return on their investment, and must rely upon the agents for that result, as they are the ones to transact the business with the public, and it is essential that the business should be represented intelligently by these men who devote their time and energies to building up the premium income. It is not edifying to hear an agent say "to hell with the company," or a manager to say, "to hell with the agent." These are not the men to build up, but rather tend to tear down. If either interest has been treated in such a manner as to warrant this feeling it should in some way be eliminated, in order to be just to each other and to the business as a whole.

Some of the managers seem to be afraid that our State Associations may get too much strength. I think they do a great injustice to themselves, as well as to the agents. There is a desire to be fair minded in the majority of men, and I am perfectly willing to abide by the majority in an issue of all interests, and I am frank to say that these associations should be the very bulwark of strength, which the companies, as well as the agents, desire, and I hope it will not be long before every manager in the Board of the Pacific will foster them, and insist that his agent join his State Association in order to hold a commission for his company. Then place the agents on equal ground with other sections of the country, all things considered,

and you will find that every interest is better safeguarded than they have ever been. There should be some extreme penalty for either a manager or agent who breaks faith with his organization.

Our interests are interdependent, and I feel that it is advisable that the Board of the Pacific co-ordinate with the State Associations to the end that any unwise legislation be defeated, in the various states in this field, and any general dissatisfaction be eliminated. The local agents are legion, and in this particular, as a concrete formation would have tremendous powers, which I believe it is wise to foster. As you will find more men who desire to be fair than otherwise, even in the insurance business, I believe no interest need fear that any unjust position would be upheld.

I wish to touch on one point before closing, and that is in regard to rate wars. In this age of enlightenment they should not be necessary, and the end never justifies the means. They certainly are discriminatory, and if followed generally would spell ruin to all. If the Board of the Pacific decide to open up in some territory, the managers cannot protect the interests of their representatives, as the entire fabric which is built up by the earnest efforts of the local agent after years of toil, is absolutely destroyed in a few months time, while the loss is almost imperceptible to the manager or company.

My remarks have been largely along ethical lines, but I do not lose sight of the fact that we are all in the business for profit, and contend that business conducted along the highest lines of ethics is the most profitable for all concerned, and would forestall adverse criticism and hostile legislation.

I wish to thank your President, Mr. Tiedemann, for this opportunity of renewing old acquaintanceships, and making new ones, and trust I have not been tiresome.

Gentlemen, I thank you. (Applause.)

The President—The paper just read by Mr. Stephens is one that will commend itself to you, I am sure, and one, the subject of which should invite free discussion. I shall be very glad to listen to any discussion by those present.

Hearing none, we will proceed with the reading of the next paper. There are two papers remaining upon the program for this afternoon, and both of them very good ones, indeed. I hope we may be able to conclude the reading of both, for tomorrow we

have a very full program, papers of a great deal of interest, and containing much of value.

To continue our program, I will now call for the paper, "Common Electrical Hazards," by Mr. M. E. Cheney, of Seattle. Mr. Cheney is the electrical engineer for the Washington Surveying and Rating Bureau, of Seattle. Unfortunately he is not able to be here, and Mr. Leslie Bates, who had consented to read it, having been taken ill, I have asked Mr. Williams to read the paper, and I now call upon him to do so.

Common Electrical Hazards.

M. E. Cheney,

Electrical Engineer Washington Surveying and Rating Bureau, Seattle.

Of our annual fire loss of over a quarter of a billion dollars it is estimated that from five to ten per cent is contributed by fires of electrical origin. While this estimate is bounded by rather wide limits these are probably as confining as the data available will permit, numerous fires of doubtful origin being attributed to electricity and vice versa, such fires usually destroying all evidence of their origin.

It is further believed that this estimate is quite conservative but the loss surely is large enough to warrant the giving of greater consideration to electrical installations in the various risks. It is the intent of this paper to point out some of the commonest defects of ordinary electrical installations that any one interested, though unversed in electrical inspection, may obtain a fair idea of the degree of hazard of these and to call attention to several matters electrical which it is believed can be so regulated as to be of considerable moment in reducing the fire hazard.

Of utmost importance and perhaps the first point to consider is the general character of the wiring. Unfortunately inspection of completed installations of other than exposed wiring is well nigh impossible. A fair estimate of the condition of a great deal of work may, however, be had from the neatness of that visible.

In considering open wiring the following defects are common: Wires being subjected to mechanical injury are pulled off their supports and come in contact with inflammable or conducting surfaces or with wires of opposite polarity or of other systems having insufficient insulation to withstand the strain imposed on them. Under the action of the continuous abrasion due to swinging or movement of the wire the insulation wears

through and the resulting arc sets fire to the adjacent inflammable material. This often is the covering of the wire and it may carry the flame some little distance. Wherever wires are not sufficiently insulated, and this refers not only to the covering of the wire but to its supports, there is located a breeding place for electrical trouble which will sooner or later start a fire.

Open wiring lends itself so admirably to extensions that the overloading of circuits is a common source of trouble. This is due principally to the fact that to carry the load the circuits must be fused heavier than is in keeping with proper protection, rendering a short or ground exceptionally dangerous because of its severity.

The matter of joints is also of importance. The pulling apart of wires at a poor joint may result in an arc sufficient to ignite adjacent combustible material. Corrosion of the wires in an unsoldered joint may so increase the resistance that under a nominal current enough heat may be developed to ignite the insulation, while in loose joints serious trouble may result from arcing. The following typical fires will no doubt be of interest in bringing out the results of the above defects:

A lighting circuit grounded on a gas pipe. The pipe was punctured and the escaping gas which was ignited set fire to the building, causing a loss reported as $18,000.

Wires supplying low potential arc light in blacksmith and machine shop, were protected by cut-out in which were fuses of 50 ampere capacity, several times larger than necessary. A portion of the circuit wiring extended into a location where wires were subject to mechanical injury and a short circuit at this point finally occurred. Heavy arcing set fire to insulation on the wires and to surrounding woodwork. Loss $15,000.

Wires were not provided with bushings where they passed through a wooden partition. An arc formed where the insulation wore off and set fire to the building, causing a loss of $25,000.

But very little can be said regarding concealed and conduit wiring from the standpoint of inspection of old work. Concealed wiring has but one advantage over open wiring, i. e., its freedom from mechanical injury after installation, it being subject also to the difficulties arising from poor support and from moisture. The fact that no idea can be readily obtained of the condition of concealed wiring makes any trouble that may develop of considerable moment.

In conduit installations we find a pleasing freedom from most of these difficulties. Chief of the existing, aside from those due to improper choice of materials for special installations, are grounds and shorts arising from abrasion of the insulation from improper protection of the wires where they

leave the conduit. Wherever bushings or other approved terminals are omitted such trouble may occur. But little less important is the proper grounding and bonding of the conduit system, that should a ground or leakage occur no arc could be established between sections of the system or ground nor could electrolysis by breaking down the wall of the conduit pave the way for more serious trouble. The following instances give an idea of some of the common dangers of poor conduit installations:

Wires feeding window lights in a large department store were run in iron conduit. No bushing was provided on the end of conduit and the sharp edge in time cut into the insulation of the wires as they were moved a little each time the windows were washed and formed a ground. Large loss.

Conduit passed through damp floor, near water pipe, into basement of a meat market. The circuit became grounded in conduit, the current following to the damp floor, where it passed through the wood to water pipe. Electrolytic action set in, eating large hole in the conduit, but trouble was discovered before fire started.

SAFETY DEVICES.

Of no little importance is the matter of safety devices. Fuses are the safety valves of the system and like the "good Indian" the only good fuse is a blown fuse. It was installed to protect the system and gives such protection by blowing. Strange as it may seem, few people realize this and to save the expense of replacing a blown fuse jump the terminals with pieces of copper wire or install fuses several times too heavy. A common practice is to bridge blown enclosed fuses with pieces of heavy fuse wire or wire solder and to replace blown fuses of the Edison screw plug variety by inserting a five cent piece or penny into the block and screwing the plug down on this. With such protection, or rather lack of it, a short or ground will develop a serious arc with consequences similar to what might be expected if a monkey wrench were hung on the safety valve, to which the following instances will testify:

No. 8 copper wire was used as a fuse in main feed wires, which, when grounded on pipe, allowed excessive current to pass; the resulting fire occurred during the afternoon and was promptly discovered, limiting the loss to $200.

Fire originated from a short circuit above a metal ceiling and spread through the open partition into the attic above. The original electric installation in this building was good, but trouble was caused by overloading the circuits. The sixteen candle power lamps for which the circuits were planned were replaced by one hundred and forty candle power

lights. The branch circuits were fused to thirty amperes instead of six and the service cut-out was fused with strips of lead wire, No. 3 B. and S., gauge which would carry an enormous current before rupturing. This lack of fuse protection caused a loss of $8,000.

COMMERCIAL MOTORS.

In this connection might be mentioned the hazard of the indiscriminate use of small commercial motors on the lighting circuits. The fact that these under adverse conditions drew current far in excess of their rating makes the proper fusing of the lighting circuit next to impossible, and gives rise to the dangers of over-fused circuits. The fan motor is perhaps an exception to this rule as the load on these is fairly constant.

The blowing of a fuse of any but the best enclosed types is always attended with danger, and even these under adverse circumstances occasionally fail to properly open the arc. All open link fuses are a prolific source of danger, many fires being started by the hot metal emitted from these falling on combustible material. The bridging of any fuse with metal virtually creates of it an open link fuse and, furthermore, gives rise to difficulties resulting from the poor contact such bridges usually make with the fuse block terminals. All fuses not enclosed in approved cabinets having tightly fitting doors are hazardous; particularly is this true when located near combustible material. The ordinary wooden box with the loose door, flat bottom and partially lined with asbestos paper does not constitute an approved cabinet as these make an admirable place for the storage of rubbish or the collection of inflammable dust, which, coupled with the warping and opening of seams and loss of doors, makes such an affair but little better and often even worse than no cabinet. The fire records are full of instances of fires which could undoubtedly have been prevented had the cut-outs been enclosed in suitable cabinets. Following are several:

A motor operated on a 500 volt circuit was installed in a room used as a pattern shop and for the storage of patterns. Upon the blowing of a fuse in the cut-out used to protect the motor, hot particles of metal were thrown into surrounding inflammable material, causing a fire which resulted in a loss of $4,816.

Open fuse cut-out used on motor circuit blew and the fuse metal ignited inflammable material. Loss on contents and building, $15,000.

A fire took place in a dwelling where plug fuses were placed in the attic and were not enclosed in cabinet. A short circuit occurred in the fixtures, which blew the fuses and set fire to some wearing apparel which hung in immediate vicinity, causing an estimated loss of $2,000 to building and contents.

HEATING DEVICES.

All electrical heating devices are from the nature of their use more or less hazardous. Typical of the group is the sad-iron. The principal hazard lies in its misuse or neglect, the majority of fires occurring from the leaving of the iron in circuit after the work is finished. The only solution of the difficulty, aside from perhaps the employment of a switch necessitating the gripping of the handle to close the circuit, is to so wire the iron outlet that whenever current is on the iron a small lamp will burn indicating that the iron is in operation. This, however, is not infallible, for should the lamp become unscrewed from its socket or burned out no indication would be given. When, as is quite universal, the cord is equipped with a common Edison plug and may be attached to any convenient lamp socket, the hazard is greatly augmented, due not only to the impossibility of employing any indicating devices, but to the fact that a heavy load is thrown on an already loaded circuit requiring overfusing of the same and thus adding to the hazard of the iron the dangers resulting from such overfusing. Furthermore the common key socket is designed for but 250 watts and under the severe strain of breaking the iron circuit, soon becomes defective and through failure to break the arc may be destroyed. A good metal stand on which to set the iron when hot, while not eliminating its hazard, will aid in reducing it, but unfortunately there is no way to guarantee that the stand will be used or that an iron with current on may with safety be left on it for a considerable interval of time. It is deeply to be regretted that there is at present no available means to prevent such as the following:

Current was left on an electric pressing iron in a tailoring establishment after closing hours. The iron became over-heated, ignited a table and fire communicated to stock and building. Loss estimated at $5,000. Water thrown at this fire ran to basement and later caused short circuit on motor mains, which started second fire, resulting in loss to stock and building estimated at $250,000.

Tailoring flat iron was left turned on all night in a six-story department store. Iron was resting on an all-iron stand. Indicating switch and lamp were installed. The heat from the iron communicated to the stand, which in time became so hot as to ignite dry goods on table on which the iron stood. Fire also traveled along circuit wires. Automatic sprinkler system operated and put out fire, limiting loss to $2,000.

A fire was started in a large dry goods house by leaving an electric iron with current on over night in sewing room. Loss $6,000.

INCANDESCENT LAMPS.

Closely following defective wiring in the list of relative hazards comes the misuse of the incandescent lamp. The common practice of furnishing lamps with exceptionally long cords that they may be moved from place to place is to be condemned, for should the lamp be laid on or come in contact with inflammable material, fires may result. Enough heat is developed by the incandescent lamp to carbonize wood, cloth or paper, which would burst into flame at any minute when in this condition. Where materials of a highly inflammable nature, such as nitro-cellulose compounds, cotton lint, etc., are stored or handled, the bare incandescent lamp is particularly hazardous. Protecting the lamp with a suitable guard in such instances reduces the hazard to a minimum. Often the breaking of an incandescent lamp in the vicinity of combustible vapors will ignite them. Where such vapors exist portable lamps should not be permitted and such stationary lamps as are employed should be enclosed in vapor-proof globes. In show windows particularly should care be taken that the lamps are so located that in trimming the window no combustible material may come in contact with them. The use of paper shades is also a common source of danger. Whenever an extension lamp is found not protected by an approved guard one may feel assured that it stands a good chance of appearing in company with the following:

During a thunder storm, lightning temporarily disabled the service wires furnishing current to a supply store. One of the employees of the store going to the second floor to show some merchandise, turned on the key of a lamp on an extension cord, and as it did not work, he dropped the lamp on top of some clothing. When the current was turned on a fire was started in the stock, causing a loss to building and contents of about $35,000.

Heat from incandescent lamps in show window set fire to draperies in contact with the lamps. The building was entirely destroyed with an estimated loss of $75,000.

A show window was trimmed to represent a church wedding scene; paper candles with miniature lights were used and lamps hung with flexible cords. The fire is reported as caused either by short circuit of the flexible cord or ignition of the inflammable window decorations by the heat from incandescent lamps. The fire spread rapidly, resulting in a loss estimated at $8,000.

A fur was hung from a nail just a few inches above an incandescent lamp. The heat of the lamp in a short time became sufficient to set fire to the fur, but immediate discovery prevented more than a nominal loss.

COMMON LAMP CORD.

Too much cannot be said in condemnation of the indiscriminate use of common lamp cord. Such cord is designed and approved for pendants only and has not sufficient insulation to withstand the hard usage with which it meets in being employed for portable purposes. Risks in which the dangers arising from the misuse of lamp cord are not present are rare indeed. Cords are found twisted around nails and pipes, tied back with wire and string, stapled to walls, allowed to lay across floors and in contact with damp surfaces, are allowed to hang in imminent danger from moving belts, to enter sockets and other fittings with no protective bushings, and are even used for line purposes. Considering the extensive abuse of the lamp cord it incites no wonder to find fires similar to the following to be so common:

A pendant lamp cord being longer than necessary was hung over a nail in wall; short circuit occurred at this point and pieces of molten metal dropped into a stock of matches. Cut-out was bridged with copper wire. Loss $12,700.

A pendant lamp cord was hanging over a steam pipe, and short circuited at this point. Pieces fell to work bench below, igniting some paper, which in turn set fire to woodwork.

Long pendant cord had been knotted to take up surplus and to provide proper adjustment of lamp used for reading purposes over a bed. The constant abrasion and kinking of insulation caused by this arrangement was finally sufficient to result in short circuit in flexible cord, which threw molten metal and burning insulation on the bed beneath. Large loss to room and contents.

Short circuit of flexible cord in show window set fire to decorations, occasioning a loss of $5,000.

The short circuiting of a flexible cord at a desk bracket due to abrasion of the insulation set fire to surrounding material. Loss $879.

MOVING PICTURE HAZARD.

The moving picture hazard is so familiar a subject as to require but little discussion; but as the non-inflammable film is now a thing of the past greater vigilance should be exercised to see that every precaution be taken to reduce this hazard to a minimum. While there is no doubt that the inflammable film gives a better picture than the non-inflammable, the the latter from the fire hazard standpoint is greatly to be preferred. The large number of fires in all parts of the country immediately following the withdrawal of the non-inflammable film will testify to this fact.

In this connection it is perhaps not out of place to refer to the life hazard of moving picture theater installations. Inspection departments

have been subjected to considerable unjust criticism for an apparent disregard of the life hazard. Departments suffering such criticism are losing the benefit of a very forceful argument to bring about conditions which must necessarily also reduce the fire hazard. In equipping the projection and ventilating openings of the picture machine booth with shutters which in case of emergency may be instantly closed, aside from limiting any fire to the narrow confines of a fire-proof enclosure and preventing smoke and water losses to the theater proper, a big step is taken toward keeping the audience in blissful ignorance of any trouble and preventing such panics as recently occurred in Newark, N. J., when the lives of twenty-four persons were sacrificed to folly and cowardice. To compel or induce the installation of such devices, it is believed that a schedule of net charges covering defects in such risks should make a comparatively heavy assessment for the lack of proper shutters and tripping devices.

While the hazard of the electric motor is much less than that of other common forms of power there are nevertheless instances where it constitutes a material hazard. Particularly is this true of the direct current motor operating in the vicinity of combustible flyings or vapors or combustible material. Improper care of the motor whereby sparking at the brushes becomes common and quite severe greatly adds to the hazard of these installations.

COMMERCIAL MOTORS.

A paper dealing with the electrical hazard would be incomplete if mention were not made of the practice of operating commercial motors from the 500 volt trolley system. While this practice is condemned alike by engineers of both power companies and insurance underwriters, there are nevertheless but few cities able to support a street railway or through which an interurban line runs in which this hazard is not present. Such installations are hazardous because of the following characteristics of trolley service:

1st. Ground Return. In grounded systems but one accidental connection may cause a burn-out of fire. Where the ground is made in the building either through a ground plate or through connection to water or other pipes electrolysis and its attendant dangers are introduced. The ground connection further offers a convenient path for lightning discharges collected by the trolley.

2nd. Voltage Variation. Due to the sudden and heavy loads thrown on a trolley system by the continual starting and stopping of cars there is a variation in voltage on such systems of often as much as twenty per cent above and below a normal of 550 volts, as close observation of the changes in brilliancy of the lamps in the cars at night will substantiate. The surges

of current following such variation in voltage causes serious sparking of the brushes often followed by the arcing over of the motor. These surges further require that the motor be fused heavier than is in keeping with proper protection. As the voltage producing such surges is often higher than that for which the safety devices were designed there is a chance that the device will not properly open the circuit.

3rd. The enormous energy back of such systems makes any arc or ground that may occur a very serious affair.

When power from the trolley system is furnished over a metallic circuit, that is, where current is run free of ground to and from the power house, the hazard of trolley service, while considerably reduced, still exists.

Live managers of power companies, aware of the inconveniences and hazards of servicing commercial motors from the trolley system, are as a rule anxious to discontinue such service, substituting for it direct current at a lower voltage or alternating current, and are awaiting but a good opportunity to make the change. They cannot or will not afford to provide the consumer with a new motor but will do their share to provide an approved service when sufficient demand is made for it. If insurance companies ever expect to rid themselves of this hazard now is the time to start and a good method is to acquaint the insured with conditions and to so instill into his heart the fear of such service, strengthened perhaps by the inference of an increase in rate if the hazard is not removed, that he will make the required demand for approved service. This method has met with no mean success in two of our cities.

Following are several typical motor fires:

Sparking of brushes on a 500 volt motor in a grain elevator ignited dust and caused an explosion and fire. Loss $25,000.

A brush holder on a motor became loosened and shifted through a considerable angle causing arcing, which ignited dirt and oil that had been allowed to accumulate about the motor.

The sparking of a motor coummutator caused by improper brush position, set fire to inflammable gases generated in building, causing a loss of $2,000.

In casting around for remedies for some of the undesirable conditions let us turn our attention first to the matter of wiring, which, when defective, is the most prolific source of electrical fires.

A good system of wiring must fulfill the following requirements:

1—Safety.
2—Satisfactory operation.
3—Convenience.
4—Neatness.
5—Economy.

That system which satisfactorily meets each of these requirements is the ideal, and it is the endeavor to reach this end that has given birth to every rule in the code. Evolution has left us today with three principal systems of electrical wiring, namely: The open cleat, concealed knob and tube and conduit. The application of the above tests to these types discloses the fact that the first two are woefully deficient and that the conduit system closely approaches the ideal.

The defects common to open wiring have been quite fully discussed elsewhere in this paper, and while it is true that these do not exist in a new approved installation, experience proves that it is only a matter of time, and of a short time at that, until through mechanical injury and extensions by incompetent persons, each and all of these defects occur.

CONCEALED WIRING.

Concealed wiring, when properly done, is a very good installation; but when it is remembered that the wire man is not the last person having access to the wiring, it can be seen how seldom good installations are obtained. The lather following the wireman and inspector, in his hurry piles lath into the wires, tearing them off their supports, places backing strips in contact with them, breaks tubes and knobs and even strips the insulation from the wires. After the latherer comes the plasterer, and heaven only knows the true condition of the wiring when the service is cut in. Owing to the difficulties encountered in re-wiring the building the old wiring is used long after its natural depreciation has made it extremely hazardous. Furthermore, this system does not readily permit of expansion, and the use of higher candle power lamps and devices soon adds to the existing hazards that of the overloaded circuit. These hazards are all greatly increased by the fact that the trouble is concealed and can be discovered only after it reaches serious proportions.

Contrast with the above an approved conduit installation. In this there is no opportunity for injury of wires from external sources, and any internal trouble that may eventually develop is confined. Cabinets are imperative, being a part of the system and being of metal, are permanent. In fact, the conduit installation has the same life as the building. When the wires in the tubes become for any reason defective or are no longer sufficiently heavy to properly carry an increased load, they may be withdrawn and new and larger wires substituted.

This necessarily brief resume of the advantages and disadvantages of the three general systems will undoubtedly warrant our drawing the following conclusions:

CONCLUSIONS.

1st—That open wiring is hazardous because of its susceptibility to mechanical injury.

2nd—That concealed wiring is hazardous because of its concealment and because of its susceptibility to injury during concealment.

3rd—That conduit wiring closely approaching as it does the ideal, is the system which underwriters should endorse.

4th—That open and concealed wiring present a fire hazard far in excess of that of conduit installations.

5th—That this being the case, some inducements should be made to procure more conduit installations.

6th—That no better inducements could be made than recognition of the relative hazards of the three installations in insurance rates.

7th—That a difference of two cents per hundred in the rate (two cents charge in open and concealed wiring, no charge for conduit) is neither an inducement or an equitable proportionate rate.

As strange as it may seem, the big majority of property owners are slow to realize that in case of fire they are the heaviest sufferers and that the loss usually cannot be computed in mere dollars and cents. The same people will, however, make extensive improvements to gain a lower insurance rate. In other words, of improvements affecting the fire hazard more than eighty per cent are made with the direct object of reducing the rate rather than the fire hazard. An equitable credit for approved conduit installations, if such credit can possibly be given, would do more toward reducing the hazard of electrical wiring than perhaps any other one thing.

HOTEL ALARM SYSTEM.

There is on the statutes of the state of Washington a law requiring hotels, rooming houses, etc., to provide a local alarm system to arouse the guests in case of fire. This device consists usually of an electrical gong placed on each floor or section and arranged to ring thru the agency of a series of conveniently located alarm boxes, usually flat metal cylinders with a glass front across which in bright red letters is printed, "In case of fire break glass." Chained to the wall is a small iron hammer, the use of which is obvious.

A great deal of mystery surrounds the use or rather object of these devices. Of a large number of persons questioned regarding the apparatus, among whom were hotel clerks, manager, and even owners, surprisingly few knew of its limitations, the larger majority having the erroneous idea that the apparatus, aside from arousing the guests, turned in an alarm also to the fire department. It is easily seen that this misconception would lead

to considerable delay in summoning the department and would unquestionably result in an increased fire loss.

Could not arrangements be made whereby the installation of an approved auxiliary system communicating with the municipal fire alarm system at the same time sounding a local gong be made compulsory and thus relieve us of the inefficiency of the present system?

It would perhaps not be out of place here to mention the fact that there is in operation an auxiliary fire alarm system communicating an alarm to the nearest street box and at the same time sounding a local gong by mechanically closing a switch on a local circuit. Insomuch as there is no electrical connection between the local gong and the fire alarm telegraph system there can be no objections raised to the addition of the gong ringing device. Other auxiliary systems could very readily have a similar device added to their boxes. Another advantage of such a combination lies in the fact that the auxiliary systems must be properly inspected and maintained, and this care would necessarily be extended to the local alarm system. The lack of proper care and the unreliability of the great majority of the purely local alarm systems as commonly installed make these little better than a makeshift and no great dependency should be placed on their proper operation. The following incident recently brought to the writer's attention serves to substantiate the above.

Fire occurred in a hotel building equipped with a common local alarm. The clerk, discovering smoke, broke the glass on one of the boxes and as the gongs sounded, supposed that an alarm had gone also to the fire department, there being a fire station less than two blocks away. Thinking it strange that the department did not arrive, after a lapse of approximately five minutes, he ran across the street and turned in an alarm from a street box. The loss to building and contents was reported as $20,000. There is little doubt that the delay due to the misconception of the functions of the alarm system is directly responsible for a large part of it.

Of our annual fire loss of between fifteen and thirty millions of dollars attributed to fires of electrical origin there can be but little doubt that over eighty per cent is the direct result of ignorance and carelessness; ignorance in the proper choice of apparatus and methods and in the hazards surrounding the misuse and abuse of electrical installations and carelessness regarding the maintenance and operation of these. In the alleviation of part of these undesirable conditions municipal inspection departments are destined to play an important part.

Even in towns unable to afford the service of an electrical inspector, much good can be done by the passage of an ordinance requiring code work, and the effectiveness of this can be greatly increased if, as has been done,

the local manager of the power company servicing such town is made under the ordinance, the municipal inspector. City inspection departments, however, cannot or do not give sufficient attention to old installations. Insomuch as these are the source of the majority of electrical fires, Underwriters' Inspection departments must necessarily concentrate their endeavors to procure the proper maintenance of these installations. Agents of the various companies would greatly aid inspection departments by giving greater attention to the electrical hazard and by reporting all installations which they feel are not up to the standard. To reduce the number of fires of electrical origin let us lend every endeavor to educate the people up to a full realization of the electrical hazard. It is a worthy cause. (Applause.)

The President—I was very glad to get this paper from Mr. Cheney. In it he has touched upon a number of points that can be made subject of discussion here. I will ask if there are any present who would like to talk upon the paper. I see Mr. Robertson present, and I ask him if he cares to touch upon any of the points referred to in the paper.

Mr. Robertson—Mr. Chairman and gentlemen: This paper is an extremely interesting grouping of the ordinary hazard of electric wiring, backed up by incidents of fires occasioned by the neglect to take proper precautions. Some time ago the National Fire Protection Association published a quarterly bulletin, in which were set out a number of fires caused by electrical failures, and I notice some of them are stated in this paper. They were well substantiated and were typical of the kind of fire which occurs from electrical failures. The publication of that bulletin has, unfortunately, been stopped. I do not know why. I think somebody was interested in having the possibilities of such failures concealed, so that electric apparatus could be sold more readily. That was a very bad plan. There is always danger in such a matter. When we know there is danger in an electrical device, we correct it and the thing does not happen.

I see that Mr. Cheney lays great stress on the use of conduit wire. Personally, I do not think that conduit wiring is much better than the open device, open tube device, as Mr. Cheney seems to think. It is undoubtedly very good, but in order that it shall be very good, it must be properly installed, with the right kind of conduit, the right kind of wire, and the right kind of people to pull the wire into and through the conduit. You do not always have those three factors. It is very much like reinforced concrete construction. When a reinforced concrete structure is properly made, of proper material, it is as good construction as we know anything about. But you must have good rock, you must have good sand, and you must have good mixing, you must have good design, and you must have good laying of the concrete, with the reinforcement in the proper place, to get good results. When you have all of those factors present you have a good job; but any one of them may very easily slip up, and then you haven't it. The same thing is the case in reference to conduit wiring. I repeat, you must have good wire, you must have good conduit, and you must have good installation. Very frequently a conduit makes a short turn, and it requires a great deal of force to get the wire around the turn, and then again the conduit itself is not as smooth as it should be inside. If it were japanned or properly surfaced, it would be better. But it is not. There are slight pieces of metal coming from the galvanizing or from the cutting of the pipe, or something of that sort, and they rub off the insulation of the wire so that in a short time there is a breakdown in the insulation in the conduit, and a short circuit results. We had a very striking illustration of that in the Crocker plant in this city, on Brannan street. It was a very good type, well installed by proper people, but for some reason or other there was a short circuit in the steel conduit, with the formation of an arc and the fusing of the steel itself, which dripped down in globules on the school desks below, and the loose packing matter, and if it had not been for the sprinkler system installed there, there would

have been a very serious fire. As it was, the loss was something like $1,000 or $1,200. With that exception, I think Mr. Cheney's paper is admirable, very well stated, and he calls attention to the very things that should be noticed in connection with the question.

I would like to add something personally to this, and that is that the burden of having these faults corrected does not lie entirely with the inspectors. It lies in great measure upon the agent who writes the risk, and upon the special agent and others who see it from the other side and in the interest of the client. They do not always give proper heed or value to the remarks of the inspector. They do not back him up. The result is that the inspectors are abused and villified and accused of not knowing their business, and corrections are not made where they should be. I think that the members of this body in their capacity of placers and writers of insurance, and inspectors and things of that kind, could be of great assistance in correcting these evils, if they would only take the trouble to do so. (Applause.)

The President—Thank you, Mr. Robertson. The suggestions offered by Mr. Robertson can be well heeded. I notice that Mr. Mitchell is present, and I should be pleased to have him take up the discussion of Mr. Cheney's paper.

Mr. Mitchell—I think, Mr. President, that Mr. Cheney has covered the subject very thoroughly. His is a very excellent paper, indeed. There are one or two points, however, upon which something might be added.

Mr. Cheney spoke of the automatic cut-outs and fuses and the danger of overloading the circuits, and of placing larger fuses than are necessary or advisable in the circuits. Another point with reference to cut-outs is their location. Very frequently in bringing wires into a building, they are run a great many feet through it before the cut-outs are installed. The code says the cut-outs must be located as near as possible to the point where the

wires enter the building, and it is very important that they should be located there. We have had several fires in this district as a result of fuses being located several feet away from the entrance of the wires to the building. If a short circuit occurs in the wires between the point of entrance and the fuses, then the wires will fuse within that distance, and the hot metal, dropping down, if there is anything inflammable underneath, will start a fire, while if the fuses are located directly at the point where the lines enter the building, and properly installed, they should take care of the short circuit.

There is one hazard upon which Mr. Cheney has not touched, and that is the installation of low voltage lighting systems. With the advent of the Tungsten lamps, these low voltage systems came into use. The 110 volt Tungsten lamp as first brought out, was a very delicate piece of apparatus, and you could break it very easily. The Tungsten lamps for use with low voltage systems of eleven or twenty-seven volts are almost as durable and will stand practically as much as an ordinary carbon lamp. For that reason there were frequently installed transformers or compensators to reduce the voltage from 110 or 220 volts down to the lower voltage, thus permitting the use of these more durable lamps. With the reduction of voltage, there is a corresponding increase in the current for a given amount of power, and as it is the current which causes the trouble, the heating effect varying as the square of the current, a slight increase in that increases the heating a great deal, and those installations which were safe enough at 110 volts are not safe when used in systems of twenty-seven or eleven volts, because the wires are not adequate in size, and in a great many cases the insulation upon those wires deteriorates rapidly, due to the heating effect of the increased current.

I have performed some experiments along this line in which I had about thirty feet of the ordinary flexible lamp cord attached to one of these compensators. The fuse that is ordinarily used and prescribed for a 110 volt system is rated at six amperes. I

had a fifteen ampere fuse, or one of two and one-half times that ordinarily prescribed. By bringing the two ends of the cord together making practically a dead short circuit, this fifteen ampere fuse was not blown. The resistance was sufficient to heat the cord enough to set fire to the insulation without blowing the fuse. All manner of fires might result from the installation of systems with fuses of that kind. There was one that I know of that occurred with one of our own inspectors in a hospital in Berkeley. There was a lamp cord hanging over the bed. The cord fused and the lamp dropped down on the bed.

I quite agree with Mr. Robertson on the question of the conduit system. That is subject, as well as other methods of installation, to great abuse. It is necessary to have the wiring properly installed. I have on my desk now a sample of defective conduit which I found in Stockton about a week ago, and we have had several cases here in the city where conduit has been installed, and had to be taken out afterwards, because of improper installation. It is impossible for a spliced wire to be installed where the wire almost fits the conduit, because, in pulling it into the conduit, there is very liable to be left a bare place on the wire that will cause a ground.

With regard to heating irons, there is one on the market which is manufactured at Ontario, in this State, called the "Hot Point Iron," that has been approved by the underwriters' laboratories. There are many irons manufactured, but this is the only one that has an automatic feature within it, such that when the temperature of the iron reaches a certain point, it causes a spring to break the connection with the current. That iron has this disadvantage, however, that after the connection with the current is broken, it is impossible to renew that connection until the iron has cooled off. So the user of the iron is very apt to throw it aside for the ordinary one, which can be left turned on as long as desired.

In the matter of auxiliary fire alarm systems, which Mr. Cheney mentioned, and in connection with which he discussed the topic of the careful inspection of the systems, he has brought out a very good point. Our own experience has taught us that we must have very careful inspection in auxiliary fire alarm systems, and that the contacts in the boxes and the wires running from the boxes to the street box are very apt to get out of order, unless there is periodical and careful inspection. If any trouble occurs, the person using the auxiliary system may think he is sending an alarm, whereas no alarm has been sent in at all by reason of the defect. (Applause.)

The President—Thank you, Mr. Mitchell. We have another paper on the program for this evening, gentlemen; a short one, by our friend Mr. George Main of Seattle. I think we have just time enough to listen to it. The subject is "Merchandise Adjustment and the Handling of Salvage." It is a good paper, and I would like to have your attention. I will ask Mr. Main if he will kindly read it.

Merchandise Adjustment and the Handling of Salvage.

George C. Main,

General Adjuster, Seattle.

I esteem it a great honor to be present on this occasion, and, as a newcomer among you, to be invited by Mr. Tiedemann to sit down at the table with the Old Folks, so to speak, of the Pacific Coast.

While unfortunately I cannot claim the Pacific Coast as my birthplace, I did my best to approach as near to perfection as possible by marrying a California girl, a native of this magnificent and beautiful city.

However, the thought of preparing a paper to read before this body, representing as it does the brains and thought of the insurance business on this Coast, has caused me many misgivings. The colossal temerity exhibited by me in accepting Mr. Tiedemann's invitation, has finally dawned upon my inner consciousness and can only be explained when one understands the nature of the business in which I am engaged.

I feel something like the maiden aunt from Boston in my embarrassment: Some years ago this kindly lady was visiting her newly married

nephew and his wife in the city of Chicago. Being anxious to entertain her, the young people suggested going to the theater the first evening after her arrival. The aunt responded that she did not care to go to the theater, but would be glad to attend some lecture. It so happened that Robert G. Ingersoll was to deliver his lecture on the "Mistakes of Moses," that evening, so they all attended this lecture. On the next evening the young people decided to again try the theater, but the good aunt again turned a deaf ear to their appeal, but stated she would go to another lecture, instead. After some search through the papers, it was found that Ignatius Donnelly was to deliver his lecture on his Shakespeare vs. Bacon theory, so off to this lecture they went. On returning home the young folks noticed that their aunt was in a rather thoughtful and preoccupied mood, and they hoped to be able to get her to attend some diverting theater the following evening. Again they were disappointed and again she stated that she would prefer to attend some lecture. After another search through the papers they found that Madam Jenness Miller would lecture on Dress Reform; so once again they all proceeded to the lecture. On returning home the aunt appeared to be much distressed, which greatly alarmed the young people, and they asked her what was the trouble. She replied that she was going back to Boston immediately, and that while she had been in Chicago for only three days, she had lost her God, her Shakespeare, and her underclothes, and must go home.

During the busy summer and fall months in the Northwest numerous subjects for discussion have occurred to me, but after running them down into concrete shape, I have found that most of them were old and had been ably elaborated upon before this body during the thirty-five years of its history.

I had about determined upon a somewhat technical subject for discussion when it occurred to me that it would be well to seek the advice and counsel of a learned lawyer and friend in the Northwest. I took up much of his valuable time in explaining to him all about my choice of subject. After listening to me patiently he finally exclaimed, "Why don't you write a paper on a subject you know something about?" Embarrassed by the magnanimity of this question which veiled an indication that I did know a little something, all thought of the glory and distinction which I had hoped to gain from a learned and technical discussion, such as I had planned, vanished into thin smoke.

I therefore decided to bring to your notice, in my feeble way, some of the many difficulties confronting the adjuster in the handling of merchandise losses. Mr. Tiedemann has kindly given me unlimited latitude and I

am therefore not compelled to stick to my text, and, as this is an unusual offer to an adjuster, I am likely to wander occasionally.

"Merchandise adjustments and handling of salvage" is such a big and broad subject that I will only touch upon some features of almost daily occurrence and which, to the young adjuster, and to most of us older ones too, seem like stupendously difficult problems to overcome.

Adjusters, like poets, are born, not made. To quote a familiar marine definition, and I think an excellent one, "The traditional and necessary attitude of an adjuster is that of a referee and not that of an attorney or advocate. It should be his duty to act with strict impartiality between insurers and insured, regardless of favor toward friend or employee, and intent solely upon the clerical and legal accuracy of his calculations."

Aside from a knowledge of the policy contract, book-keeping in all its ramifications and elusive methods, and a thorough familiarity with merchandise values, the adjuster should be possessed of a mobile personality. Much of the personal equation enters into the adjustment of a fire loss, and as the adjuster is able to adapt himself to the atmosphere surrounding the claimant, so much more will he be successful in bringing about a satisfactory, desirable and equitable termination of his labors.

Merchandise, for purposes of comparison, can be divided into three classes, each class having its own standard of value, and each one bearing an intimate relation to the other. The manufacturer, the jobber, and the retailer represent these three classes, and in each case the same product has a separate and distinct value. The method of ascertaining the value in each case is not always a simple matter, but the intimate relation of one class to another is apparent and many difficulties arise when we are confronted with a mass of burned or damaged merchandise demanding quick attention and immediate handling in order to recover at least a portion of its value. Thousands and hundreds of thousands of dollars have been expended or squandered through the improper handling of damaged merchandise, from lack of knowledge as to methods to pursue, bickerings and discussions with the claimant, while the values melted and rotted away.

In cases like these, where prompt action is essential, I believe it is better first to agree with the claimant as to the best way to save the merchandise from further damage and put it in best possible condition, finally making the inventory. When that is done the questions of book statements, determination of sound value and the loss and damage should follow. I am speaking only of honest losses. Many exceptions to the foregoing method will be found necessary if the claim appears to be a fraudulent one.

The manufacturer has only one outlet for his merchandise, the jobber. The jobber sells only to the retailer and the retailer only to the consumer. It is obvious that the manufacturer cannot as a rule sell his damaged product to the jobber, and unless he can handle and recondition it and put it again in a salable sound condition, he will inevitably and often rightfully claim a total loss. The jobber selling to the retailer is in somewhat the same position, but to a lesser extent, and more often has opportunity to make sales of damaged merchandise. The retailer is the one who reaches the public, and is in best position to dispose of the damaged merchandise. Hence the numerous "fire sales" by the retailer, but do you recall many or even one so called "fire sale" by a jobber or a manufacturer.

Assuming therefore that the salvage from our merchandise loss has been properly cared for subsequent to the fire, the question arises as to what to do with it, how to handle it so as to recover the maximum value. The adjuster does not concede that the salvaged merchandise per se is a total loss, nevertheless he must often concede that it is a total loss so far as the manufacturer or jobber is concerned. He cannot dispose of it through his regular channels of trade and if he is forced to sell, little or no saving to insurance is made. It is here that the insurers have so often been mulcted and compelled to pay a total loss when a far different result could have been attained if the company had a proper outlet for the handling of this salvage. The insurance companies cannot recondition and place the salvage in salable condition for they have no facilities for this work and lack the merchandise instinct, so valuable in the handling of damaged goods.

A reputable and honest buyer of salvage, with sufficient financial backing, now becomes a most valuable and efficient aid to the adjuster in disposing of the merchandise and advising with him as to values and loss and damage. The salvage buyer must, and if sincere, will, without hesitation, make three propositions: First, he will buy outright, paying cash; second, he will put up a cash guarantee and handle the salvage on a regular commission; or third, he will handle on commission without guarantee.

Which method is best for his clients must be determined by the adjuster from the nature of the salvage and the exigencies of the case. With the advice and assistance of the salvage agency large claims can often be materially reduced, even when the merchandise is not taken over, through the offer of the buyer to put up a cash bid or advance a guarantee covering any or all of the different classes of salvage.

The handling of the salvage of so called proprietary merchandise here presents an interesting problem. Are the insurance companies entitled to take over the salvage of damaged proprietary merchandise by paying the

sound value therefor, against the objections of the manufacturer or jobber owning the merchandise? The New York standard form of policy emphatically and unequivocally answers this question in the affirmative, but what is to prevent the owner from securing an injunction against the sale of the damaged merchandise. The grounds against which an injunction would lie are several. The manufacturer might contend that he had expended hundreds of thousands of dollars on this Coast in advertising his brand and building up a trade in it at a fixed price, and that to throw a lot of it on the market in damaged condition through an outside selling agency at a less price would seriously affect the value of the brand and damage his trade, built up at so large an expense.

There is some doubt as to just how far the companies, through their adjuster, can go in cases of this kind, and whether they would be permitted by the court to take over and sell damaged proprietary merchandise without destroying its brand or at least labeling it as fire damaged merchandise.

In the only case of which I am informed, that of a Virginia tobacco case, the companies took over the damaged tobacco, but the court stopped the sale of the tobacco under its trade mark, or name of the tobacco company, and granted permission for its sale only as Virginia tobacco.

Here again, even if it is finally determined to permit the manufacturer to handle and recondition his proprietary merchandise under a fixed written agreement, the adjuster can be greatly aided in keeping the loss down to a reasonable figure through the bona fide guarantee of the salvage buyer. The proper method of handling damaged proprietary merchandise presents many intricate and interesting questions and I regret that I have been unable to find more court decisions having a direct bearing.

So important a matter had become the handling of salvaged merchandise that many years since several large firms or corporations were organized in the East to carry on this business, and in Chicago the insurance companies, through their managers, own and control a salvage wrecking agency.

Greed for large and illigitimate profits has been the rock on which many a salvage buyer has been wrecked and his business lost to others who have shown a disposition to be satisfied with such reasonable profits as the dangers of the business entitle them to receive.

The necessity of doing business with a financially responsible salvage company has recently been illustrated at Nashville, Tenn. The J. H. Fall & Co. building collapsed several days after a fire and after the salvage company had taken possession and while their laborers were at work removing salvage. Several laborers were killed, and various personal

injury claims were instituted against the owners, the salvage company, and the insurance companies. In this case the salvage company agreed to hold the insurance companies harmless from all costs and damages, and, as it was financially able to take care of any judgments that might be rendered, the insurance companies have had no cause for anxiety.

It is a satisfaction to know that we now have on this Coast a competent, reliable, and financially responsible salvage wrecking agency. It has already been, and will be, the means of saving the insurance companies thousands of dollars, and the deterrent effect which it will have on merchants making unjust and exhorbitant claims will be worth many thousands more.

I hope the time will come when the use of the co-insurance clause on policies covering merchandise will be the rule rather than the exception on this Coast, for then the loss ratio on this classification must be materially reduced.

Of what particular value to the insurer is a co-insurance clause on unprotected frame buildings or on an isolated saw or shingle mill? These are usually total losses and there is no salvage to handle. It would appear that the use of the word "co-insurance" is somewhat unfortunate and often misunderstood. One who carries his own risk upon his property may be said to be his own insurer; when he hires B to assume a part of that risk B becomes either a general or special partner and while in a way B may be said to be a co-insurer, the owner of the property who carries the balance of his own risk, cannot properly be said to be a co-insurer also. If each party bears his proportion of the loss caused by the peril insured against, they are rather co-partners than co-insurers.

The abuses of the use of this co-partnership clause are many, and especially so where the clause permits a guaranteed sum to usurp the place of a guaranteed percentage, or where there is a proviso inserted in the clause that in certain specified cases the clause shall not apply, or that there shall be no inventory to determine whether the contract has been complied with or not. In all the large and most of the small protected cities the majority of losses are partial both as to buildings and merchandise, but it appears as if we only devised a mutually beneficial clause in order to see how soon we could hedge it around with nullifying conditions.

As a whole are the companies not fearfully lax and possibly timid in their instructions to agents in case of loss? The familiar, "Don't touch a thing until the adjuster comes," has cost the companies untold thousands. Why should there be any secrecy or timidity about instructions to agents? A waiver cannot be created by clear and intelligent instructions to agents

and through them to the claimant. I firmly believe that these instructions, closely following the wording of the policy, should be posted conspicuously in red ink, along with the agents commission of authority. Special agents, particularly, could carry this message and explain it in no uncertain terms, without in the least endangering their premium income and at the same time greatly reducing their loss ratio. Only a few days ago in a small city in the state of Washington a large amount of perishable stock was allowed to spoil which could have been saved had it not been for that terrible Fetish, fondly carressed by the local agent, "Don't touch a thing until the adjuster comes."

I am not a pessimist in any sense, and I believe that, notwithstanding increasing complexities, that underwriting conditions, methods, and results are steadily improving, likewise adjustment methods and adjusters are constantly changing and improving beyond a question of doubt. The competent adjuster of today must be a man of many parts and capacity for knowledge.

The future generation of adjusters will know the Kinne and Albany rules only as historical curiosities, for there will be no non-concurrency, forms will be drawn so that there can be but one construction and the co-partnership or co-insurance clause will be understood without the intervention of an interpreter.

Gentlemen, I thank you. (Applause.)

The President — I know you will all agree that we have listened to a most interesting paper by Mr. Main. I should be very glad to hear some comment made upon it. I think there are some very important points touched upon in the paper. I recall one particularly, at the conclusion of the paper, by way of instructions or suggestions to agents, which I think exceedingly well taken. Does anyone desire to in anywise discuss the paper?

That will conclude the program for this afternoon, gentlemen. Before adjourning, I desire to appoint a committee to whom are now referred the President's Address, the report of the Secretary-Treasurer, the Librarian's report, and the report of the Executive Committee. That committee will consist of Mr. A. W. Thornton, Mr. A. M. Brown, Mr. Herbert Folger, and Mr. Louis Weinmann.

Is there anything further, Mr. Secretary, that should be called to the attention of the Association this afternoon?

The Secretary—Nothing further, Mr. President.

The President—The banquet of tomorrow evening will be one of the special features of the meeting, and I trust that all members who have not yet made themselves eligible to attend will do so, and that we shall have a very full attendance. It will take place at the ball room of the St. Francis Hotel at seven o'clock p. m.

If there is no objection, I now declare the meeting adjourned for the day, to meet again tomorrow morning at ten o'clock.



Second Day.

WEDNESDAY, January 10, 1912, 10 o'clock A. M.

The meeting was called to order in second day's session by the President at 10 o'clock A. M.

The President—We will proceed with the program for the day, gentlemen, the first paper being by Mr. T. H. Williams, on "Permits and Clauses: Their Use and Abuse." Gentlemen, Mr. Williams. (Applause.)

Mr. Williams—As this paper is necessarily very long, I will ask your permission not to read the 557 legal references and the examples given, as they will be printed with the Annual Proceedings.

Permits and Clauses: Their Use and Abuse.

T. H. Williams,

General Adjuster German-American Ins. Co., Phoenix of Hartford.

The object of this paper is to bring to the attention of those writing insurance, the effect the various clauses have upon a claim and how they cause the loss to the companies of many thousands of dollars which the policy contract did not contemplate and would have prevented had the clauses been properly written; and also to discourage the use of certain words and phrases.

A clause or permit on a policy sets aside the printed conditions of the contract relative thereto. They should be worded in plain, unmistakable English. The courts always hold that the benefit of any doubt must be given the insured and the clauses must be construed strictly against those for whose benefit they are made, so as to save a forfeiture of the policy, if possible. Where two interpretations are given, the one most favorable to the insured will be adopted, as the contract is prepared by one party on the faith of the other. (1) Permits are often made by those having more interest in securing a line of insurance than in the welfare of the company. Those who make the permits seldom have the adjustment of the loss and

(1) Matthews vs. Ins. Co. 154 N. Y. 449, 456;
Waldradt vs. Ins. Co. 136 N. Y. 375;
L'Engle vs. Scottish Union (Flo) 34 Ins. L. J. 97;
Straus vs. Phoenix Ins. Co. Supra;
Palatine Ins. Co. vs. Ewing. Supra;
McMaster vs. N. Y. Life Ins. Co. 183 U. S. 25;
Hogan vs. Scottish Union & Nat. 183 U. S. 423;

Brink vs. Ins. Co. 49 Vt. 442, 557;
Boriglet vs. Ins. Co. 34 Minn. 352;
Olson vs. Ins. Co. 35 Minn. 432;
Burkhard vs. Ins. Co. 107 Pa. St. 26;
Phoenix Ins. Co. vs. Spiers, 87 Ky. 285;
Western Ins. Co. vs. Cropper, 32 Pa. St. 351, 355;
Aetna vs. Jackson, 16 B. Mon. Ky. 242.
Nat. Bank. vs. Ins. Co. 95 U. S. 673;
Wilkins vs. Tobacco Ins. Co. 30 Ohio St. 317;
Ins. Co. of N. A. vs. De Loach & Co. 37 Ins. L. J, 683:
Cent. Dig. 295. Dec. Dig. 146;
Continental Ins Co. vs. Daniel, 33 Ins. L. J. 355;
Hartford F. Ins. Co. vs. Dorroh, 40 Ins. L. J. 499;
Hocking vs. British America, 40 Ins. L. J. 799;
Capital Fire Ins. Co. vs. Carroll et al. 39 Ins. L. J. 1258;
Connecticut vs. Colorado Leasing Co. 40 Ins. L. J. 1717;
Shivers vs. Farmers Mut. 40 Ins. L. J. 1706;

they do not know the bad reputation and trouble they have made for the company, or how much money was paid for something which was not intended to be covered.

It may be possible that the original policy contract was made in heaven, but it is certain that many of the permits and clauses were inspired by the devil. Every adjuster has come in contact with some of these poorly worded clauses and I hope they have not lost their chance of going to the happy hunting grounds thereby.

The court records show case after case where the company paid a loss over 100 feet away from the risk they thought they were insuring because of the words "adjoining and communicating," or "situate on same premises."

There is no objection to any form which leaves no doubt in the minds of the insured, the company, or the adjuster; but when a merchant has merchandise on both sides of a street and your policy covers on the west side of the street, and you have to pay for merchandise on the east side of the street because of the words "on premises of insured within 100 feet," it certainly shows the necessity for more careful consideration of forms.

In many offices policy forms are examined by clerks having no training, and they cannot know the effect the clause will have in case of loss. I would suggest that those who examine Daily Reports, be given the opportunity of reading the law journals, and if they would take half their lunch hour each day and visit the library of this Association they would gain knowledge that will be of great benefit to them and make them more valuable to their employer.

Those who examine forms should be familiar with insurance law, for where an existing fact is at variance with a clause of an insurance policy, and is known by the company to be so, there may be an implication that the clause is not insisted upon. (1) Policies are drawn by the legal advisers of the company, who study with care the decisions of the courts, and, with these in mind, attempt to limit as nearly as possible the scope of the insurance. It is only fair, therefore, to resolve any doubt or ambiguity in favor of the insured, as against the company. (2) Where, however, the terms of the contract are clear and explicit and free from all ambiguity, they must be allowed their full force and effect, there being no distinction in this respect between the contract of insurance and any other contract, and parol testimony is not permissible to change or vary its items. (3)

(1) Stone vs. Howard Ins. Co. 153 Mass. 475;
(2) Gerliner vs. Ins. Co. 121 Cal. 460, 53 Pac. Rep. 920;
(3) L. L. & G. vs. Rtchardson Lumber Co. 31 Ins. L. J. 993;
Ins. Co. vs. Dorsey, 56 Md. 79, 40 Am. Rep. 403;
Springfield vs. Prtce Ins. L. J. 914, Cent. Dig. 968;
Henderson vs. Ins. Co. Cent. Dig. 1078; Dec. Dig. 397;
Cent. Dig. 968; Dec. Dig. 378; Cent. Dig. 375; Dec. Dig. 956;
Fields vs. Ins. Co. Ins. L. J. 979;
Leison vs. St. Paul Ins. Co. 39 Ins. L. J. 1729;
Cent. Dig. 1028; 1031; Dec. Dig. 380;
Skinner vs. Norman, 165 N. Y. 565; 59 N. E. 309, 80 Am. St. 776;
Welsh vs. Fire Assn. 120 Wis. 456, 98 N. W. 227;
Home Ins. Co. vs. Bank, 88 Tenn. 369, 12 S. W. 915;
German-American Ins. Co. vs. Yeagley, 163 Ind. 651, 71 N. E. 897;
Kind vs. Ins. Co. 72 Iowa 310 ss N. W. 690;

It must also be remembered that knowledge of or notice to an agent is generally held notice to the company. (1)

(1) McClure vs. Ins. Co. 9. Ins. L. J. 209;
Peoria M. & F. Ins. Co. vs. Hall, 12 Mich. 202;
Pope vs. Glens Falls Ins. Co. 31 Ins. L. J. 336;
German F. Ins. Co. vs. Herbertson et al, 40 Ins. L. J. 477;
Glens Falls vs. Michael, 167 Ind. 659, 74 N. E. 964, 79 N. E. 905, 8 L. R. A. (N. S.) 708;
Allesima vs. London Ins. Co. 45 Ore. 441, 78 Pac. 392;
Halls vs. Niagara F. Ins. Co. 93 Mich. 184, 53 N. W. 727, 18 L. R. A. 135, Am. St. Rep. 497;
Miotke vs. Mechanics Ins. Co. 113 Mich. 166, 71 N. W. 463;
Hanover F. Ins. Co. vs. Bohn, 48 Neb. 743, 67 N. W. 774, 58 Am. St. Rep. 719;
Shary vs. Scottish Union Ins. Co. 136 Cay. 542, 69 Pac. 253, 615;

Phoenix Ins. Co. vs. Fuller, 53 Neb. 811, 74 N. W. 269, 40 L. R. A. 408, 68 Am. St. Rep. 637;
Dooly vs. Hanover Fire Ins. Co. 16, Wash. 155, 47 Pac. 507, 58 Am. St. Rep. 26;
Lancashire Ins. Co. vs. Monroe Jefferson Co. 101 Ky. 12, 39 S. W. 434;
Philadelphia Tool Co. vs. British Am. Assur. Co. 132 Pa. 236, 19 Atl. 77, 19 Am. St. Rep. 596;
Manchester F. Ins. Co. vs. Abrams, 89 Fed. 932, 32 S. C. A. 426;
Born vs. Home Ins. Co. 32 Ins. L. J. 737;
Orient Ins. Co. vs. McKnight, 31 Ins. L. J. 874;
Commercial Union Assur. Co. vs. Urbansky, 31 Ins. L. J. 728;
Farmers Nat. Bk. vs. Delaware Ins. Co. 94 N. W. Rep. 834;
Northern Assur. Co. vs. Carpenter 94, N. E. Rep. 779;
Mecca Fire Ins. Co. vs. Smith Co. 40 Ins. L. J. 990;
Prine vs. American Central, 40 Ins. L. J. 1025;
Spalding vs. New Hampshire, F. Ins. Co. 31 Ins. L. J. 1045;
Osborn vs. Phoenix Ins. Co. 30 Ins. L. J. 811;
McKibban vs. Des Moines Ins. Co. 30 Ins. L. J. 835;

Agents who draft policy forms should be familiar with the property covered. They should know what is usual and necessary to the manufacture of the merchandise, for when a class of stock is insured it includes what is usually contained in it. For example, "stock of drugs" covers gasoline, benzine, and ether. (1) The phrase "such other goods as are usually kept for sale in a country store," will cover any class of merchandise which the insured may have for sale, such as gun powder, oils, and I believe, gasoline, even though the printed conditions of the policy provide against it. (2) If the form describes the class of stock and adds "and other merchandise not more hazardous," then the printed conditions of the policy must be lived up to. The property to be insured must be definitely described and the written description must either specifically mention everything to be insured or be couched in such broad terms as to include everything. (3) An insurance on a stock of goods, which in the nature of business, will be continually changed, is an insurance on the entire stock, and not on the specified goods. (4)

(1) Hall vs. Ins. Co. 58 N. Y. 292, 17 Am. Rep. 255;
(2) Cobb vs. Ins. Co. 17 Kan. 492;
(3) Harper vs. Ins. Co. 22 N. Y. 441;
Niagara Ins. Co. vs. DeGraff, 12 Mich. 124;
(4) Sheets et al. vs. Iowa State Mut. Ins. Co. Kan. 135 S. W. Rep. (April 5, 1911) 80; 40 Ins. L. J. 955;

ALL WHILE CONTAINED.

Most forms covering contents end as follows: "All while contained in," and this does not limit the liability to the articles while in that particular place. (1) The clause should read "only while contained therein and not elsewhere," and then it could not be misunderstood. "Contained in their factory" covers in any building belonging to the factory. (2)

(1) Miles vs. Ins. Co. 37 Iowa 460;
Noyes vs. Ins Co. S. C. Wis. (1885) 15 Ins. L. J. 59;
Loungerville vs. Ins. Co. S. C. Iowa, 8 Ins. L. J. 845;
Hawes vs. Ins. Co. 18 Ins. L. J. 561;
(2) Lieberstein vs Ins. Co. 45 Ill. 301;

ADDITIONS, ADJOINING AND COMMUNICATING.

The words "additions thereto adjoining and communicating" covers all buildings which are necessary appurtenances to the main building, or necessary for its complete operation. To be adjoining and communicating does not mean that the structures must actually touch or be contiguous to the main building, but that any building which is an integral part or essential to the proper conduct and operation of the business, is covered by these words.

A form reading "on their machinery, tools and appliances, such as saws, planers, boilers and connections, shafting, gearing, belting, spare and reserve parts, all other tools and appliances and machinery used by insured, rough and dressed lumber, logs, etc., all while contained in one story frame, metal roof, building, its additions thereto attached and while stacked in yard within 100 feet of above described mill building," the courts held covered boilers in a brick building twenty-seven feet distant and lumber piled within 100 feet of the boiler house, although over 100 feet from the mill. (1) A building three feet in rear of the premises insured fronting on another street, but connected by an inclosed passageway, is an addition within the policy. (2) A policy covering steam power elevator building and additions will cover warehouses two and one-half feet distant. (3) A building detached from the main dwelling but used as a part of it, is an "addition." (4) The words "make additions, alterations and repairs and this policy to cover same," will cover any new building which may be erected. (5) A policy covering "saw mill building and additions" will cover a planing mill several feet away. (6) A dry house twelve feet and a boiler house two feet distant, although one policy covered the dry house specifically. (7) Where the buildings are designated by numbers, it is specific insurance on each building and not a blanket policy on the entire plant. (8) Where the form refers to building shown on a map, the build-

ings not shown on map are not covered. (9) If the words "of like material" were added to "its additions adjoining and communicating" it would prevent a claim on a frame addition to a brick building.

(1) Georgia Home Ins. Co. vs. Maryland Planing Mills, 38 Ins. L. J. 871;
Guthrie Laundry Co. vs. Northern, 36 Ins. L. J. 146;
Dougherty vs. Greenwich, 64 N. J. Law 716;
(2) Geo. Ketching vs. Germania Ins. Co. 30 Ins. L. J. 471;
(3) Cargill vs. Ins. Co.
(4) Tate vs Ins. Co. 38 Ins. L. J. 74;
(5) Arlington Co. vs. Ins. Co. (N. Y.) 34 Ins. L. J. 169;
(6) Ferguson vs. Lumberman's Ins. Co. 36 Ins. L. J. 318;
Arlington vs. Ins. Co. S. P. N. Y. 36 Ins. L. J. 283;
Marsh vs. N. H. F. Ins. Co. 31 Ins. L. J. 36;
(7) Marsh vs. Concord Mut. F. Ins. Co. 31 Ins. L. J. 537;
(8) Arlington Mfg. Co. vs. Norwich Union, 30 Ins. L. J. 536
A. A. Griffingbron Co. vs. L. & L. & G. 32 Ins. L. J. 643;
(9) Bumpus vs. American Central Ins. Co. 40 Ins. L. J. 1500;
Shepard vs. Germania Fire Ins. Co. 40 Ins. L. J. 941;

BUILDINGS IN COURSE OF CONSTRUCTION.

A contractor, under agreement to furnish materials and build a house for a specified sum, who has received part payment, has an insurable interest to the value of the building and not merely of the unpaid balance. If, however, the contractor is released and work accepted when partial payments are made, then the company is only liable for the unpaid balance due on work completed and materials on the premises. (1) Where agent covered a building in course of construction, but failed to give permission to complete the building, it was held he waived the incompleteness of building and bound the company. Where mechanics were employed to make repairs and thirty days elapsed between the commencement and completion of the work, the policy is void.

(1) Ulmer vs. Phoenix Ins. Co. 31 Ins. L. J. 38;
Commercial Ins. Co. vs. Capital Ins. Co. 81 Ala. 320;
N. H. Fire Ins. Co vs. Blakeley et al. 40 Ins. L; J. 822;
Robb vs. Millers Mut. Ins. Co. 40 Ins. L. J. 951;

OCCUPANCY.

"Only while occupied as a dwelling" will not permit the building to be occupied for any other purpose. (1) As a general rule, however, where the occupancy of the building has been changed and the company contends that the hazard has been increased so as to avoid the policy, the Courts hold that it is a question for the jury.

(1) Greenwich Ins. Co. vs. Dougherty (N. J. S. C.) 42 Atl. 485;
Ins. Co. vs. Lewis (D. C. C. A.) 2 App. D. C 96;
Southern Ins. Co. vs. Murphy (S. C. F.) 38 Ins. L. J. 883;
Dowditch vs. Ins. Co. 36 Ins. L. J. 276; (S. P. Mass.)
Germania vs. Dockard (Ins. App.) 28 N. E. Rep. 868;
Allen vs. Home Ins. Co. 30 Ins. L. J. 711;

USAGE.

The intent of all forms, permits, or clauses, is to modify the conditions of the policy contract in order to conform to the usages of trade and not to work a hardship upon the insured or the company, as these privileges are usually given without additional premium. They are intended to govern not only the permanent, but the temporary use, occupancy or privilege, yet the courts hold that the temporary use does not avoid the policy. In order to take advantage of the word "use" it must be shown that it was continuous and not an isolated occasion. (1) Words are to be construed in their ordinary, usual and proper sense, unless they have been given a contrary legal construction, or have acquired a distinct commercial meaning by usage, as peculiar to some trade or art, or unless it is apparent that a distinct and particular meaning was intended. (2) An underwriter, be he general or local agent, is presumed to know the usage of trade of the risk he is insuring. (3) Where the usage is such that the assumption exists that the insurer has knowledge thereof, the applicant is not bound to communicate such usage to him. (4) Where there is an expressed written contract embodying in clear and positive terms, the intentions of the parties, it cannot be varied by evidence of usage or custom. (5) Painters cannot be considered mechanics within the meaning of the clause "if mechanics be employed on the premises" and the fact that the painters brought into and used five gallons of gasoline, did not avoid the policy. (6) When the use of any prohibited article is usual and necessary in the conduct of the business of the insured or if kept in similar establishments, it will not avoid the policy. (7) The word "allowed" as used in the gasoline clause is to be construed as meaning "allowed to be kept or used" and the condition is not violated by merely permitting gasoline to be carried through the building. (8) The Clause "any use or custom of trade to the contrary, etc." has been set aside by nearly all courts as it is not reasonable nor right that a restriction should be placed upon the insured which would interfere with the usual and necessary operation of his business. (9) Where open lights were indispensable in making repairs, it was held not a breach of the policy. (10) Fireworks kept in general merchandise store void the policy.

(1) Springfield vs. Wade, 95 Tex. 598, 68 S. W. 977, 58 L. R. A. 714, 93 Am. St. R. 870;
Hinckley vs. Ins. Co. 140 Mass. 381;

(2) Whitmarsh vs. Conway Ins. Co. 16 Gray (Mass.) 359, 77 Am. Dec. 414;
Peoria Ins. Co. vs. Whitall, 25 Ill. 466;
Civ. Code Cal. 57/479; 87/59; 95/138; 125/352; 132/65; 144;

(3) Noble vs. Kennoway, 2 Doug. 3rd ed. 513;
Maryland vs. Phoenix Ins. Co. 5 Gill. & J. Md. 159;
Cox vs. Charleston Ins. Co. 3 Rich. (S. C.) 331; Am. Dec. 771;
Vallance vs. Dumar, 1 Comp. 503;
Wall vs. Ins. Co. 14 Barb. N. Y. 383;
Morris vs. Ins. Co. 3 Yeats (Pa.) 84, 2 Am. Dec. 360;
Civil Code Cal. 2566;

(4) Planche vs. Fletcher, 1 Dour. 251;
Daniels vs. Ins. Co. 12 Cush. (Mass.) 416; 59 Am. Dec. 192;
Kingston vs. Knibbs, 1 Comp. 508, N. per Lord Ellensborough;

(5) Hone vs. Mutual Ins Co. 1 Sand N. Y. 137; 2 N. Y. (2 Const) 235;
Hall vs. Jansen, 4 El & B. 508, per Campbell;
Lattonius vs Ins. Co. 3 Houst. (Del.) 254;
Winthrop vs. Ins. Co. 2 Wash. C. C. 7;
Smith vs. Mobile Nat. Ins. Co. 30 Ala. 167;
Crofts vs. Marshall, 7 Car & P. 597, 607;
Denman vs. Ins. Co. 86 Ill. 479;
Duncan vs. Green, 43 Iowa 679;
McGregor vs. Ins. Co. 1 Wash. C. C. 42;
St. Nicholas Ins. Co. vs. Ins. Co. 5 Born. N. Y. 238;

(6) Taylor-Baldwin Co. vs. Ins. Co. 38 Ins. L. J. 991;
Smith County Treas. vs. Ins. Co. (Mich. C. C.) 25 Ins. L. J. 192;

(7) Faust vs. Ins. Co. 60 (Wis. S. C.) 32 At. Rep. 613;
Yock vs. Ins. Co. (Cal. S. C.) 44 Pac. Rep. 189;
Plinsby vs. Ins. Co. (U. S. C. C.) 32 Fed. Rep. 47;
Ackley vs. Phenix of Brooklyn, 30 Ins. L. J. 650;

(8) Lon. & Lan. Ins. Co. vs. Fischer (U. S. C. C. A.) 92 Fed. R. 509;

(9) Phoenix vs. Walters, 24 App. 87, 56 N. E. 257, 79 Am. St. R. 257:
Mascott vs. Ins. Co. 68 Vt. 253, 56 Atl. 75;
Smith vs. Ins. Co. 107 Mich. 270 65 N. W. 235, 30 L. R. A. 368;

(10) Au Sable Lumber Co. vs. Mfg. Ins. Co. 89 Mich. 407
Norfolk Fire Ins. Co. vs. Talley 40 Ins. L. J. 1594;

WARRANTY.

Any stipulation in a policy is a warranty and no particular form of words is necessary. Neither the presence nor the absence of the word "warranted" is at all conclusive. A warranty is a stipulation inserted in a form by which the insured undertakes that some particular thing shall or shall not be done or that some condition shall be fulfilled. If the fire was caused by the insured not keeping his agreement then the clause is held binding; but if the fire was from some other cause, the warranty is of no value. Inability of the insured to comply with the requirements of his warranties is no excuse. (1) The violation of a provision, whether made a warranty or not, does not totally avoid the policy; but merely suspends it during such time as the warranty is not kept. (2) The description of an oil tank's location cannot be construed as a warranty that the location will not be changed afterwards. (3) All warranties should be signed by the insured as well as the agent in order to eliminate any question of doubt as to their validity and meaning.

(1) Scharles and Deutsch vs. Hubbard & Co. 40 Ins. L. J. 2119:
School Dist. vs. Dauchy, 25 Conn. 530;
Eagle Fire Ins. Co. vs. Ins. Co. 38 Ins. L. J. 320;
Civil Code Cal. 2603-2604-2607-2608-2610;

(2) Port Blakeley Mill Co. vs. Ins. Co. 38 Ins. L. J. 1449;
Ins. Co. vs. McDonald, 50 Ill. 120;
Ins. Co. vs. Catlin, 163 Ill. 256 N. E. 255, L. A. 595,
Kinckley vs. Germania F. Ins. Co. 140 Mass. 38 1 N. E. 737; 54 Am. Rep. 445;
Ins. Co. vs. Pitts, 88 Miss. 587, 41 South 5, 7 L. R. A. (N. S.) 627, 117, Am. St. Rep. 756;
Athens Mut. Ins. Co. vs. Tiney, 1 Ga. App. 492, 57 S. E. 1013
Born vs. Home Ins. Co. 110 Iowa, 379, 81, N. W. 676;
Warehouse Co. vs. Ins. Co. 76, 56 S. E. 654, 10 L. R. A. (N. S.) 736, 121 Am. St. Rep. 941;
Arkansas Ins. Co. vs. Cox, 38 Ins. L. J. 205;

(3) Western Pipe Line Co. vs. Home Ins. Co. 145 Pa. St. 346;

GENERAL REMARKS.

Where it is evident that the *policy did not cover as agreed* between the agent and the insured, the Court will reform the policy, (1) but in order to reform the policy the proof must be clear and satisfactory and free from doubt. (2) Where policy provides that endorsements must be made in writing thereon, the condition must be complied with or the policy is void.

(3) Where a policy covers more than one item, the avoidance of one item does not affect the others. (4) Where a stick and a half of dynamite was kept in a lodging house, whether it caused the fire or not, it avoided the policy. (5) An insurance company cannot accept part of a contract and reject the rest, but must ratify it as a whole. (6) Where there is a conflict between the printed and written portions of a policy, the written part controls. (7) If the terms of the contract are expressed the court cannot extend or enlarge the contract. (8) Words in a fire policy are used in their ordinary sense. (9) Each clause in a policy must be construed separately. (10) Where mechanics were employed for more than fifteen days without permission the policy is void. (11) When this clause was first made a condition of the policy, it did not permit any repairs to be made without consent of the company, and the courts held it was not valid. In the present contract fifteen days is allowed and the courts hold it is reasonable, and therefore valid. (12) Where policy covered building and all other permanent fixtures contained therein, held did not cover counters and shelving which could be removed without injury to the building. (13) A permit for removal of goods from one location to another, using the average clause, covers in both locations, but does not cover goods in transit. (14) The word "premises" as used in our forms, is construed to mean buildings mentioned and does not include those on an adjoining lot. (15) The word "Merchandise" means all those things which insured as a merchant sells, and not personal property not intended for sale. (16) The word "Machinery" covers boilers and all pipes connecting it with other apparatus, the pipes and apparatus of drying room, steel tanks, all shafting, belting, hangers and all machines. (17) Where one of the walls was a party wall and the buildings could not be repaired, the insured was entitled to recover the whole value of the party wall. (18) The loss on old buildings which cannot be repaired is the value of the old building before the fire. (19) Because an insured has no part in the drawing of the insurance contract a substantial compliance with the terms will satisfy the obligations. (20)

(1) Dalton vs. Ins. Co. (Iowa) 34 Ins. L. J 251;
Esch vs. Ins. Co. 78 Iowa, 334;
Blake etc. Co. vs. Ins. Co. 73 Wis. 667;
Williams vs. Ins. Co. (CC) 24 Fed. 625;
McLaughlin et al vs. Ins. Co. 34 Ins. L. J. 431;

(2) Johnson vs. Ins. Co. 34 Ins. L. J. 341;

(3) Walsh vs. Hartford Ins. Co. 73, N. Y. 5;

Northern Assn. Co. vs. Grand View Bldg. Assn. 183 U. S. 308;
Forbes vs. Agawam Ins. Co. 9 Cush. 470;
Worchester Bank vs. Hartford Ins. Co. 33 Ins. L. J. 503;

(4) Miller vs. Delaware Ins. Co. 33 Ins. L. J. 503;
Civil Code Cal. 2555 N. Y. Civ. Code, 1375;

(5) Bastian vs Brit. Amer. Assn. Co. 33 Ins. L. J. 1033;

(6) Shook vs. Retail Hdw. Mut. Ins. Co. 40 Ins. L. J. 789;

(7) Russell vs. Mfg. Ins. Co. (Minn.) 52 N. W. Rep. 906;

(8) Bank vs. Ins. Co. 62 Tex. 461;

(9) Glendale Mfg. Co. vs. Ins. Co. 21 Conn. 19-30-31, 54 Am. Dec. 309;

(10) F. E. & J. L. Thorp vs. Aetna, 72 Atl. Rep. 690;

(11) Halpin vs. Ins. Co. 120 N. Y. 73;
Phoenix Ins Co. vs. Holcombe, 57 Neb. 622;
Elliott Ins. 251;
Sunderlin vs. Aetna 18 Hun. N. Y. 522;

(12) German Ins. Co. vs. Hearne, 32 Ins. L. J. 462;

(13) Newport Improvement Co. vs. Home, 163 N. Y. 237;

(14) Goldsborough Banyer vs. Albany Ins. Co. et al, 32 Ins. L. J. 767;

(15) Goodhue vs. Hartford F. Ins. Co. 32 Ins. L. J. 851;

(16) Rau vs. Westchester, 36 App. Div. 179, 55 N. Y. Supp. 459; 50 App. Div. 428, 64, N. Y. Supp. 290, 168 N. Y. 1, 661 N. E. 1134;

(17) Kent vs. Ins. Co. 26 Ins. L. J. 294;

(18) Tubbs vs. Mechanics Ins. Co. (Iowa) 35 Ins. L. J. 755;

(19) Montelone vs. Royal Ins. Co. 31 Ins. L. J. 689;

(20) Northern Assnce. Co. vs. Carpenter, 94 N. W. Rep. (May 9, 1911) 779, 40 Ins. L. J. 1218;
Dorroh-Kelly Merc. Co. vs. Orient Ins. Co. 40 Ins. L. J. 1211;

AS INTEREST MAY APPEAR.

This clause is one of the most troublesome in use and it certainly has made companies pay many losses which were unjust. The clause usually reads: "Loss, if any, payable to John Doe, Mortgagee as his interest may appear."

The intention of the words "as his interest may appear" is to limit the payment under the policy, to the amount due the mortgagee and the balance to go to the mortgagor; but the courts construe the clause to mean such

interest as by proper proofs can be shown to appear at the time of the loss. (1) "John Doe, mortgagee," simply designates who John Doe is, and "as his interest may appear" covers any interest he may have at the time of the fire, be that mortgagee or owner. It does not restrict his interest to that of mortgagee as the clause intended, but will cover any interest he might have. In fact, some courts hold that one need not have an insurable interest under a clause of this kind. (2) It will waive the clause "sole and unconditional ownership" and the insured can recover even though he did not disclose that the property was owned by himself and wife and that a mortgage existed. (3) Apparently there is no need of the clause at all, for the mortgagee would only be paid the amount of his mortgage and the balance would be paid the mortgagor, without the clause in the policy.

(1) Fenton vs. Ins. Co. 39 Ins. L. J. 1699; Ins. Cent. Dig. 794-822;

(2) Joyce, 2920;
Donaldson vs. Ins. Co. (Tenn. 1895) S. W. Rep. 251;

(3) Hogan vs. Scottish Ins. Co. 186 U. S. 423, 22 Sup. Ct. 462-1299;
Besant vs. Ins. Co. 72 App. Div. (N. Y.) 276;
Kent vs. Ins. Co. 84 App. Div. 428;

AUTOMATIC SPRINKLER WARRANTY.

"These premises having been equipped with automatic sprinklers, and a reduction in the rate of premium made, therefore, in consideration of such reduced rate, it is hereby made a condition precedent to the recovery of any loss under this policy, that the insured shall use due diligence to maintain such equipment in complete working order during the full term of this insurance."

The warranty as worded permits of repairs and additions without consent of or notice to the insurance companies. The words "due diligence" are susceptible to more than one meaning. It does not provide that the policy shall be void in case the warranty is not kept.

Where the policy prohibits a certain change, the violation of such provision does not totally void the policy, but merely suspends it during such prohibited change.

In the Port Blakeley Mills Co. case, the court said: "Conceding that there was a warranty, there was no warranty that the assured should at all times maintain the automatic sprinkler system, but the representation was only that the assured should 'use due diligence' in maintaining the sprinkler system."

Where the sprinkler equipment was in working order at the time of

the fire, athough prior to that time was for awhile out of use, held warranty complied with. (1)

A stipulation that a sprinkler is in good working order, and that the insured will use due diligence to keep it so, is not a warranty, and the burden is on insurer to show the contrary. (2) Where the obligation on the part of the insured is to exercise "due diligence" in the maintenance of the sprinkler system, which he does, notice of an increase of hazard caused by the breaking of the system need not be given the insurer, where such notice is not specifically provided for in the clause relating to the sprinkler system. (3) The insured is only required to use "due diligence" during the making of repairs to its mill and sprinkler system. (4)

(1) Port Blakeley Mills Co. vs. Springfield Ins. Co. 39 Ins. L. J. 1447, cases cited;
Hart vs. Niagara Fire Ins. Co. 9 Wash. 620, 38 Pac. 213, 27 Ins. L. R. A. 86;
Nat. Bk. vs. Union Ins. Co. 88 Cal. 497, 26 Pac. 509, 22 Am. St. Rep. 324;
Redman vs. Hart. Fire Ins. Co. 47 Wis. 89, 1 N. W. 393, 32 Am. R. 751;
Monlar vs. Amer. Life Ins. Co. 111 U. S. 335, 4 Sup. Ct. 466, 28 L. Ed., 447;
Westfall vs. Hudson River F. Ins. Co. 2 Duer. (N. Y.) 490;
Au. Sable Lumber Co. vs. Det. Ins. Co. 89 Mich. 470, 50 N. W. 870;
McGannon vs. Mich. Fire Ins. Co. 127 Mich. 836, 87 N. W. 6154, L. R. A. 739, 89 Am. St. Rep. 501;
Selby vs. Mut. Life Ins. Co. (C. C.) 67 Fed. 490;
Phoenix Assur. Co. vs. Munger Mfg. Co. (Tex) 49 S. W. 271;
Sumpter Tobacco Whr Co. vs. Phoenix Ins. Co. 76 S. C. 76, 56 S. E. 64, 10 L. R. A. (U. S.) 736 121 Am. St. 941;

(2) Fuller vs. Traders Ins. Co. et. al. 32 Ins. L. J. 783;

(3) Cummer Lbr. Co. vs. Asso. Mfg. Mut. F. Ins. Co. 31 Ins. L. J. 87;

(4) Port Blakeley Mills Co. vs. Royal Ins. Co. 40 Ins. L. J. 1610.

AVERAGE CLAUSE.

"It is hereby understood and agreed that in case of loss this policy shall attach in each of the two buildings in such proportion as the value in each building bears to the aggregate value of the property hereby insured."

This clause is used where the insured desires to cover his entire property in one sum; but it is in reality specific insurance. For example:

The insured has two buildings valued at $15,000, with $10,000 insurance. Value of building "A" $10,000. Loss $10,000. Value of building "B" $5,000. Loss $2,000. The proportion of building "A" of the $10,000 insurance would be two-thirds or $6,666.66, and of building "B" one-third or $3,333.34. The total loss is $12,000 and the total amount recoverable from the insurance would be $8,666.66.

	Value	Insurance	Loss
Building "A"	$10,000.00	$6,666.66	$6,666.66
Building "B"	5,000.00	3,333.34	2,000.00
	$15,000.00	$10,000.00	$8,666.66

The insured should place a specific amount on each building when the insurance is written as it will prevent an appraisement of the entire property in case of loss. Where the entire property is destroyed the clause is inoperative.

Dahms and Sons Co. vs. German Fire Ins. Co. 40 Ins. L. J. 2133;
Ins. Co. vs. Ayers 88 Tenn. 728, 13 S. W. 1090;

COMMISSION CLAUSE.

"Their own or held by them in trust or on commission or sold but not delivered."

A policy on goods held in trust or on commission will cover all the goods with which the party procuring the insurance is intrusted and is not confined to the goods held in trust in the strict technical sense, but extends to ordinary bailments. Nor does the policy apply simply to the personal interest of the one who takes out the policy, but to the whole value of the goods. This form of policy is similar in its legal effect to the policy for whom it may concern. (1) It will also include goods stored with insured as warehousemen. (2) It will cover lumber piled by itself and marked for purchaser ready for shipment. (3)

(1) Robert Williams & Co. vs. Auto Express Co. 40 Ins. L. J. 515;
California Ins. Co. vs. Union Compress Co. 133 U. S. 387, 10 Sup. Ct. 365, 33 L. Ed. 730;
Stillwell vs. Staples, 19, N. Y. 401;
Fire Ins. Assn. vs. Merchants Co. 66 Md. 339, 7 Atl. 905, 59 Am. Rep. 162;
Roberts vs. Fireman's Ins. Co. 165 Pa. 55, 30 Atl. 450;
Canning Co. vs. Ins. Co. 38 Ins. L. J. 817;
DeForest vs. Ins. Co. 1 Hall (N. Y.) 94;
Lee vs. Adst. 37 N. Y. 78;
Warring vs. Ins. Co. 45 N. Y. 606, 6 Am. Rep. 146;
Home Ins. Co. vs. Warehouse Co. 93 U. S. 527, 23 L. Ed. 868;

(2) So. Cold Storage Co. vs. Ins. Co. (Tex. C. C. A.) 73 S. W. 545;

(3) Michigan Pipe Co. vs. Ins. Co. (Mich. S. C.) 52 N. W. 1070;
Warring vs. Ins. Co. 1 Ins. L. J. 672;

CLEAR SPACE CLAUSE.

"In consideration of the issuance of this policy and the basis upon which the rate of premium is fixed, the insured warrants and agrees that a continuous clear space of two hundred feet shall hereafter be maintained between the property hereby insured and any woodworking or manufacturing establishment, etc."

This clause is usually so plainly worded that very few cases have been referred to the courts. Where there is a difference between the rate on the mill and the lumber the clear space clause should be used. It is necessary to insert in the clause that the policy is written at a reduced rate on account of the warranty by the insured to maintain a clear space of a certain number of feet. Where the rate on the mill was 9.5 per cent and the rate on the lumber was 2.85 per cent, showing that the company did not understand that it covered lumber within 200 feet upon which the rate was 9.5 per cent, the court held the clause valid and said the insured got exactly what he paid for. (1)

(1) Wild Rice Lumber Co. vs. Ins. Co. 35 Ins. L. J. 824;
L. & L. & G. vs. Richardson Lbr. Co. 31 Ins. L. J. 997;

CONTRIBUTION CLAUSE.

"This company shall not be liable, under this policy, for a greater proportion of any loss on the described property, or for loss by, and expenses of, removal from the premises endangered by fire, than the amount hereby insured bears to the entire insurance covering such property, whether valid or not, or by solvent or insolvent insurers."

All forms, and especially those covering the contents of dwellings, should contain the clause "this policy does not cover items upon which there is specific insurance." This would prevent a blanket policy contributing with those covering specifically.

In quoting the following cases I do not refer to the modes of apportionment as they are mostly wrong. There is only one equitable rule and that is the "Kinne Rule, loss to loss, with reapportionment from excesses to pay shortages."

A policy on a school building with privilege to make additions and covering same, covers an adjoining building subsequently erected and connected with it, and although the addition was insured under a specific policy, the original policy must contribute under the contribution clause. (1)

Where various parties storing wool in a warehouse took out insurance in their names, and the warehouse company had taken out a blanket policy on "merchandise either owned or held by them in trust, or in which they

have an interest or liability," it was held that these blanket policies prorated with the specific policies. (2) To require contribution from other insurance, it must be on the same interest in the same property, or on some part thereof. (3) The courts hold the insured is entitled to the full amount of his loss if there is unexhausted insurance and they will adopt any rule which gives this result, disregarding completely the equity between the insurance companies. (4)

(1) Meigs vs. London Assur. Co. Pa. 33 Ins. L. J. 251;
Ogden vs. Ins. Co. 50 N. Y. 388;
Sloat vs. Ins. Co. 49 Pa. 14;
Farmers Feed Co. vs. Scottish Union & Nat. Ins. Co. 32 Ins. L. J. 162;

(2) Hough vs. Ins. Co. 36 Md. 398;
Home Ins. Co. vs. Baltimore Whse Co. Supra; 2 Ins. L. J. 253-6-39;
Sloat vs. Royal Ins. Co. 49 Pa. 18;
12 Amer. & Eng. Enc. of Law (2d Ed.) 310;
Schmaelzle vs. Lon. & Lan. Ins. Co. 33 Ins. L. J. 602;

(3) Chandler vs. Ins. Co. 28 Ins. L. J. 1028;
Anglerodt vs. Delaware Ins. Co. 31 Mo. 593;

(4) Page vs. Sun Ins. Office (U. S.) 25 Ins. L. J. 865;
Meigs vs. London Assur. Co. (U. S.) 32 Ins. L. J. 251;
Blake vs. Ins. Co. 12 Gray 265;
Arlington vs. Colonial Assur. Co. 180 N. Y. 337, 73 N. E. 34;
Home Ins. Co. vs. Kolb 31 Ins. L. J. 813;

DWELLING FORMS.

The wording of the form is so well known that I will not give a copy of it. It covers anything in a dwelling except merchandise, any article for sale, or money. The words "household furniture" covers all personal chattels that may contribute to the use or convenience of the household or that will ornament the house, as plate, china, beds, bedding, linen, musical instruments, pictures, paintings, carpets, books, etc., but it does not cover wearing apparel, or articles for personal adornment. (1) The words "wearing apparel" include all articles of clothing owned by any member of the insured's family for whom he provides; but it does not cover jewelry, or articles which are in no sense clothing. (2) The present forms are faulty as there is no necessity of enumerating every article. A form reading "household furniture, wearing apparel, jewelry and family stores" will cover everything which should be insured. The Board form No. 113 covering dwelling houses, does not stipulate that the dwelling must be occupied for that purpose and no other and therefor it is not correct. The form

should read "on the frame building, only while occupied as a dwelling." The words "dwelling house" embrace in law the entire congregation of buildings, main and auxiliary, used for abode. (3)

(1) Carmichael vs. Ins. Co. S. C. Mich. 1883, 9 Ins. L. J. 428; Williams vs. Williams, 1 Sun. N. S. 358;

(2) Clarey vs. Ins. Co. Ohio 227; 2 Johns N. Y. 261; 9 Ins. L. J. 108-111;

(3) N. B. & M. Ins. Co. vs. Tye 36 Ins. L. J. 1006 (C. A. Geo.)

ELECTRIC CURRENT CLAUSE.

Few really appreciate the value of the electric current clause to the companies and seem to feel it is inserted to afford the company a loop hole to get out of paying legitimate losses, but such is not the case. Those familiar with electric energy will tell you that in all wires and electrical apparatus there is a constant danger of their being burned out or destroyed from the current passing through or within them. It would be impossible to determine upon a rate which would be adequate for such a hazard, therefore, the electric current clause was adopted to eliminate any loss to the companies by the burning out of any electrical appliances caused by the electric current within it. If we did not have this safe-guard we would be continually paying for burned out incandescent bulbs, motors, rheostats or starting devices, fuses and overcharged wires. The companies pay for all loss by fire outside of the apparatus itself and that is all the rate contemplates.

GASOLINE PERMIT.

A gasoline permit is necessary on all risks where gasoline is used. No charge is made for its use in a dwelling for cooking purposes, but in all mercantile risks a charge is necessary.

It has been held that it is not necessary for the company to prove that the fire was attributable to the gasoline, (1) but it is advisable to be sure of it before denying liability. Where an agent knew that gasoline was used on the premises and did not give a permit for it, the policy was not avoided. (2) If insured's business demands the use of gasoline, the company cannot deny liability for its use. Where a fire was caused by a painter using a gasoline torch, the policy was not avoided. (3) Where the policy permitted gasoline stove with warranty that no gasoline should be kept on the premises, held, that the keeping of a gallon of gasoline in a can was a violation of the warranty; (4) also that the owner was not relieved by the fact that the violation was by a tenant, without his knowledge. (5) A lighted match causing the explosion of a tank of

gasoline was not a fire within the meaning of the policy and therefore it was avoided. (6) The temporary use of gasoline does not avoid the policy. (7)

(1) Cent. Dig. 1650-1658; Dec. Dig. 646;
Standard Ins. Co. vs. Thompson (Ont. S. C.) Ins. Dig. 22-84;
Port Blakeley Mills Co. vs. Springfield, 39 Ins. L. J. 1447;
Norwaysz vs. Thuringia, 204 Ill. 334, 68 N. E. 551;
Hill vs. Middlesex Ins. Co. 174 Mass. 542;
Newport Imp. Co. vs. Home Ins. Co. supra;
Deihl vs. Adams Mut. Ins. Co. supra;
Turnbull vs. Home Fire Ins. Co. 83 Md. 312;
Kyte vs. Assurance Co. 149 Mass. 116;
Pennsylvania Ins. Co. vs. Faires, 13 Tex. Civ. App. 111;
Thomas vs. Fame Ins. Co. 108 M. Ill. 91;
Imperial Ins. Co. vs. County of Coos, supra;

(2) American Central vs. Chaney (C. C. A. Tex.) 39 Ins. L. J. 947;
Hartley vs. Penn. Ins. Co. 33 Ins. L. J. 329;

(3) Garrebrandt vs. Ins. Co. 36 Ins. L. J. 841;

(4) Norwaysz vs. Thuringia Ins. Co. Ill. 33 Ins. L. J. 83;

(5) Diehl vs. Adams Co. Mut. Ins. Co. 58 Pa. 443;
Wetherill vs. City Fire Ins. Co. 16 Gray 276;
German Fire Ins. Co. vs. Shawnee Co. 54 Kan. 732;
Ins. Co. vs. Gunther, 116 U. S. 113-134 U. S. 110;
Kelly vs. Worchester Co. 97 Mass. 284;
Hall vs. Peoples Ins. Co. 6 Gray 185;
Concordia Ins. Co. vs. Johnson, 4 Kan. App. 7;
Long vs. Beeber, 106 Pa. 466;
Badger vs. Platts, 68 N. H. 222;

(6) Milton C. Mitchell vs. Potomac Ins. Co. 31 Ins. L. J. 570;

(7) Springfield F. & M. Ins. Co. vs. Wade, 31 Ins. L. J. 818;

IRON SAFE CLAUSE.

The Iron Safe Clause requires the insured to keep a set of books and inventory of stock, which shall be kept in an iron safe at night or when the store is not open for business. The clause has been held valid in many courts and it should be used on this Coast. (1) The insured's failure to produce inventory, prevents recovery. (2) An insurer has a right to such compliance with its term as will inform him as to the stock carried and

as to stock burned, and the fair cash value thereof. (3) The clause, however, applies only to the last inventory, (4) and only to merchandise kept for sale and not to machinery and appliances. (5) Where an agent knew the insured had no iron safe and was unable to remove books, it is a waiver of the clause. (6)

(1) Wild Rice Lumber Co. vs. Royal (Minn.) 35 Ins. L. J. 825;
Aetna Ins. Co. vs. Mount. (S. C. Miss.) 36 Ins. L. J. 936;
Coggins vs. Ins. Co. 36 Ins. L. J. 354;
Cent. Dig. 854, Dec. Dig. 335; Ins. Co. vs. Kennedy, 94 Tex. 367, 615 a. 1102;
Ins. Co. vs. Cummings, 98 Tex. 115, 81 S. W. 705;
Coggins vs. Aetna (N. C. S. C.) 56 S. E. (Mch. 1907) 506;
Mongor vs. Queen (Tex. C. C. A.) 99 S. W. (Mch. 1907) 887;
Ins. Co. vs. Water Drug Co. Ins. L. J. 804; Dec. Dig. 335;

(2) National Ins. Co. vs. Caraway, 19 Ins. L. J. 1466;

(3) Phoenix vs. Sherman, 39 Ins. L. J. 69;

(4) Ger.-Amer. Ins. Co. vs. Darrin (Kan. S. C.) 28 Ins. L. J. 1008;

(5) Queen Ins. Co. vs. Dilliard, 131 S. W. Rep. 946;

(6) Rudd vs. Ins. Co. (Mo.) 35 Ins. L. J. 948;
Shook vs. Retail Hdw. Mut. F. Ins. Co. 40 Ins. L. J. 781;
Old Colony Ins. Co. vs. Starr Mayfield Co. 40 Ins. L. J. 964;

LOSS PAYABLE AND MORTGAGE CLAUSE.

The mortgage clause was first introduced during the year 1860 and it made so much trouble both for the companies and the courts, that it was dropped for some time and then taken up again and the New York Standard Form of Mortgage Clause adopted.

A mortgagor and mortgagee may both insure their separate interests. (1) Mortgages are now regarded by the courts as mere securities for the payment of money. The mortgagor is the substantial owner of the property and therefore his interest is absolute within the meaning of the policy. (2) Where a policy is taken out by the mortgagee, the mortgagor has no interest in the proceeds of the policy. (3) The assignment of a mortgage does not transfer the contract of insurance; the mortgagee's insurable interest is gone. (4) The clause in reference to foreclosure proceedings is held to be wise and a proper safeguard against the greatly increased risk consequent upon the circumstances provided against therein. (5) An appraisement accepted by the insured is binding upon the mortgagee. (6) Knowledge of an agent at the time of insuring, that foreclosure proceedings

were pending, estops the insurer from, setting up that policy is void. (7) It is necessary to notify both the mortgagor and the mortgagee of the company's intention to cancel. (8) A warranty deed or a trust deed with a separate agreement to reconvey on payment of a certain sum is in effect a mortgage, which is not a change of title or possession within the policy. (9) A mortgage covering mill building and machinery therein held not to be a chattel mortgage. (10) The provision in a mortgage that all insurance shall be assigned to the mortgagee is not an assignment which will avoid the policy. (11) The right of a mortgagee is not affected by a transfer of interest by a part owner of the property. (12) Where mortgagee took out insurance and charged the premium to the mortgagor the policy covered both the interests of the mortgagor and the mortgagee and the company was not entitled to subrogation. (13) The co-insurance clause is binding upon the mortgagee. (14) Where a policy is payable to more than one mortgagee the first mortgagee is entitled to the whole amount of his debt and interest and the second mortgagee to the balance. (15) The mortgage clause makes it a separate contract as far as the mortgagee is concerned. (16) A sale of the property by the mortgagor without the consent of the insurance company, voids the policy as to the mortgagor and mortgagee, but if there is a mortgage clause on the policy the compauy must pay the mortgagee and it is entitled to subrogation. (17) "As the stipulations and conditions of the standard fire policy which relate to the proceedings after the liability of the company has accrued in terms relate to the mortgagor only, all or none of such terms must be held to apply to the mortgagee and, as many of them are inapplicable, none apply." The court in rendering this decision, evidently did not consider it justice to the insurance company but were compelled under our form of mortgagee clause to decide as they did. In explaining their actions they said in part "We must hold that all those stipulations, which in terms relate to the mortgagor only, apply equally to the mortgagor and mortgagee, or we must hold that none of them do." The former indicates that which is impossible of performance.

LOSS PAYABLE.

(18) Where a policy is made payable to a third party, without using the mortgage clause, it is not an assignment, the contract is with the insured and to him alone the insurer is liable and upon his acts will that liability depend. (19) Where policy was endorsed, loss if any, payable to S. & D. as their interest may appear, makes the payees simply appointees of insured to receive any payment that might be due to the extent of their interest, but it is not notice to or consent of the company of a chattel mortgage and policy is void. (20) If all endorsements making

"loss if any, payable" contained the qualifying clause, "subject to all conditions of this policy" companies would be able to avail themselves of the voidance of the policy. (21) A sale to the mortgagee of the mortgaged property by the mortgagor, although the policy was payable to the mortgagee as his interest might appear, rendered the policy null and void. (22) Where mortgagee foreclosed and purchased the property his interest in the policy was only as a security for his debt which was extinguished by the foreclosure sale. (23)

Under the loss payable clause, the contract is still with the mortgagor but under the mortgagee clause it is a new contract with the mortgagee and practically without any restrictive clauses. Why the mortgagee should be so favored without additional preimum is a mystery. We would not issue a clauseless policy to an insured on the best fireproof building that was ever constructed, yet we are really doing so every time we attach the mortgagee clause.

(1) Lawrence vs. Ins. Co. 19 Ins. L. J. 1498;

(2) Clay Ins. Co. vs. Beck, 43 Md. 358;
Hartford vs. Heating, 86 Md. 145;

(3) Concord Ins. Co. vs. Woodbury, 45 Me. 447;
McIntire vs. Plaisted, 68 Me. 363;
White vs. Brown, 2 Cust. (Mass.) 412;
Burlingame vs. Goodspead, 153 Mass. 24;
Hall vs. Headley, 54 N. J. Eq. 545;
Kortlander vs. Elston, 2 C. C. A. 657, 6 U. S. App. 283;
Thomas vs. Ins. Co. 43 Hun. (N. Y.) 218;
Harvey vs. Cherry, 12 Hun. (N. Y.) 354;

(4) Weinburger vs. Ins. Co. (N. J. S. C.) 76 Atl. Rep. 343; 39 Ins. L. J. 1334;
Kuppersmith vs. Ins. Co. 39 Ins. L. J. 1133;
Kuppersmith et al vs. Delaware Ins. Co. 40 Ins. L. J. 1938;
Barn vs. Ins. Co. 110 Iowa 379; 81 N. W. 676; 80 Am. St. R. 300;
Ins. vs. Deirks, 43 Neb. 473; 61 N. W. 740; 29 Ins. L. J. 242;

(5) Kelly vs. Ins. Co. 38 Ins. L. J. 215;
Lawyer vs. Glove Mut. Ins. Co. (Sup. C. So. D.) 39 Ins. L. J. 1593;
Quinlan vs. Prov. Wash. Ins. Co. 133, N. Y. 356;
Woodward et al vs. Ger.-Amer. Ins. Co. (Wis.) 35 Ins. L. J. 393;
Stevens vs. Queen Ins. Co. 81 Wis. 335;
Bosworth et al vs. Merchants F. Ins. Co. 80 Wis. 393;
Straker vs. Phoenix Ins. Co. 101 Wis. 413;
Keith vs. Royal Ins. Co. supra;
Wenderlich et al vs. Palatine, 104, Wis. 395;

(6) Hunt vs. Springfield (S. P. U. S.) 34 Ins. L. J. 521;
Platt vs. Union P. R. Co. 99 U. S. 48-57;
Palmer vs. Gurnsey, 7 Wend. 248;
Eaton vs. Whiting, 3 Pick. 484;
Wheeler & W. Mfg. Co. vs. Howard, 28 Fed. 741;
Bartlett vs. Teah, 1 McCrary 176, 1 Fed. 768;
So. P. R. Co. vs. Doyle, 8 Sawy. 60;
McLane vs. Paschal, 47 Tex. 365;
Collingsville Savings Scty. vs. Boston, 34 Ins. L. J. 1031;
Woodbury Savings Bank vs. Ins. Co. 29 Conn. 374;
Meridian Savings Bank vs. Home Ins. Co. 50 Conn. 396;
Franklin Savings I. Co. vs. Ins. Co. 119, Mass. 240;
Baldwin vs. Phoenix Ins. Co. 60 N. H. 164;
Biddeford Savings Bank vs. Home Ins. Co. 81 Me. 566;
Magouh vs. Firemans Fund Ins. Co. 86 Minn. 486;
Hartford Ins. Co. vs. Alcott, 97 Ill. 439;
Williamson vs. Ins Co. 86 Wis. 393;
Van Buren vs. Ins. Co. 28 Mich. 398;

(7) Benjamin et al vs. Palatine Ins. Co. 33 Ins. L. J. 279;

(8) Hartford Ins. Co. vs. Peterson, 33 Ins. L. J. 603;

(9) Wolf vs. Theresa Village Mut. F. Ins. Co. 32 Ins. L. J. 139;
Slaughter vs. Bernards, 97 Wis. 184;
Cumps vs. Kiyo, 104 Wis. 656;

(10) Humboldt Fire Ins. Co. vs. W. H. Ashley Silk Co. 40 Ins. L. J. 757;

(11) Whiting vs. Burkhardt, 30 Ins. L. J. 666;

(12) Leyden vs. Lawrence, 79 Atl. Rep. (May 11, 1911) 615;

(13) Quinn et al vs. Fire Assn. 31 Ins. L. J. 972;

(14) Amory vs. Reliance Ins. Co. 94 N. E. Rep. 677;

(15) Hastings vs. Westchester, 73 N. Y. 141;
Reed et al vs. Firemans Ins. Co. 40 Ins. L. J. 1711;

(16) Flint et al vs. Westchester F. Ins. Co. 30 Ins. L. J. 508;
Jaskulski vs. Citizens M. F. Ins. Co. 32 Ins. L. J. 244;
Reed et al vs. Firemans Ins. Co. 40 Ins. L. J. 1711;

(17) Breeyan et al vs. Rockingham F. Mut. 31 Ins. L. J. 972;
Boyd vs. Thuringia Ins. Co. 30 Ins. L. J. 884;

(18) Reed et al vs. Firemans Ins. Co. 40 Ins. L. J. 1711;

(19) Heilburn vs. German Alliance, 40 Ins. L. J. 1705;

(20) Chandas vs. Am. Fire Ins. Co. 84 Wis. 184;
Corberry vs. German Ins. Co. 86 Wis. 323;
Williamson vs. Mich. F. & M. Ins. Co. 86 Wis. 393;
Scania Ins. Co. vs. Johnson, 22 Colo. 476;
Delaware Ins. Co. vs. Greer, 57, C. C. A. 188, 190, 191, 193;

(21) Atlas Reduction Co. vs. New Zealand Ins. Co. 34 Ins. L. J. 1031;

(22) Atlas Reduction Co. vs. New Zealand, 34 Ins. L. J. 805;

(23) Boston Co-op. Bank vs. Ins. Co. 38 Ins. L. J. 599;
Reynolds vs. Lon. & Lan. Ins. Co. 29 Ins. L. J. 330;

MANUFACTURING CLAUSE.

"Manufactured, in process of manufacture and on materials for manufacturing same."

This clause will cover all completed goods, boxes, cases, cans, wrappers and labels used or needful in preparing the article for use or for sale, and will include any and all materials or ingredients used in the manufacture or preparation of the finished article, either in their original or broken packages. (1) A policy on a wagonmakers shop and materials for manufucturing wagons will include benzine in the shop for mixing paint to be used upon wagons. (2) Consent to "manufacture" carries with it consent to keep for use everything necessary in the manufacture. (3)

(1) Spratley vs. Hartford Ins. Co. 1 Dil. C. C. Conn. 392;
Peoria F. & M. Ins. Co. vs. Lewis, 18 Ill. 553;
Crasley vs. Franklin F. & M. Co. 5 Gray, Mass. 504;
Home Ins. Co. vs. Favorite, 49 Ill. 273;
Moadinger vs. Ins. Co. 2 Hall, N. Y. 490;

(2) Archer vs. M. & M. Ins. Co. 43 Mo. 434;

(3) Veile vs. Germania Ins. Co. 26 Iowa, 9;

OTHER INSURANCE.

CONDITION OF THE POLICY.

"Unless otherwise provided by agreement endorsed hereon, or added hereto, this entire policy shall be void if the insured now has or shall hereafter procure any other insurance, whether valid or not, on property covered in whole or in part of this policy."

This condition contemplates that consent of the company be obtained in advance for other insurance and endorsed upon the policy, or it is void. (1) The object of the clause is to provide against over-insurance, and it is one of the surest ways of preventing incendiary fires. (2) Where the clause reads "$10,000 insurance permitted, including this policy," it has been held that subsequent or prior insurance requires notice to and consent of the company; (3) but where the clause reads "total concurrent insurance permitted" the courts hold that it means double the amount permitted in the policy. (4) It has been held that the clause restricting other insurance is a warranty where it reads "$37,000 concurrent insurance permitted." (5) Where an agent of two companies issues a policy in each company to the same party and fails to make a notice of other insurance on one or both of the policies, the policies are valid. (6) Where a mortgagee takes out additional insurance without the mortgagor's consent, the policy of the mortgagor will not be forfeited under the clause prohibiting additional insurance. (7) Double insurance is additional and valid insurance, prior or subsequent, upon the same risk, and the companies are liable pro rata for the amount of the loss. (8) Other insurance is not always double insurance as an insured may take insurance on different parts of a building or different parties on their interests; as mortgagor or mortgagee, vendor or vendee, lessor or lessee. (9) Where clause reads "$800 total insurance permitted including this policy," and the policy itself was for $800, the clause was held to be meaningless unless permission for additional insurance was intended. (10) Where a policy covered farm implements and forbade other insurance, afterward other implements were purchased which were covered by the first policy, an additional insurance was taken out on them. Held, that this was a violation of the policy. (11) The three-quarter value clause permits insurance to three-fourths of the value of the property. (12) Where insured procured other insurance without notice to the company, believing a policy had expired, the new policy is enforceable; but the original policy is void. (13) Notice by the insured to the insurer of other insurance is a waiver of the prohibition if the insurer fails to reply. (14) Where a policy covered two and one story brick building, and latter a second story was constructed upon the one-story building and another policy was taken out to cover the cost of the addition, the first policy was held to be concurrent insurance. (15) A policy provision that insured shall maintain insurance of at least seventy-five per cent or to be a co-insurer for the deficiency, permits other insurance without notice to the extent of seventy-five per cent. Insurance in excess of that amount is a violation of a warranty. (16)

(1) Towle vs. Ins. Co. (S. J. C. Me.) 40 Ins. L. J. 398; 78 Atl. R. 374;
Security vs. Fay, Ins. L. J. 168;
Southerland vs. Ins. Co. S. C. A. Va. 8 Id. 182;
Continental Ins. Co. vs. Heilman & Cox, S. C. Ill. 9 Id. 92;
Baker vs. Ins. Co. 12 Gray, Mass. 265;
Kimball vs. Ins. Co. 8 Gray Mass. 4; Benn, F. I. 178 Id. 586;
Kelly vs. Ins. Co. 36 Ins. L. J. 530;
Wensel vs. Ins. Co. (S. C. Iowa) 35 Ins. L. J. 115;
Nor. Assn. Co. vs. Grand View Bldg. Assn. 183 U. S. 308;
Forbes vs. Agawam Ins. Co. 9 Cush. 470;
Worchester Bank vs. Hartford Ins. Co. 11 Cush 265;
Hartford vs. Redding et al, 33 Ins. L. J. 997;
Independent School Dist. vs. Fidelity Ins. Co. 30 Ins. L. J. 376;
Rogers vs. Home Ins. Co. 40 Ins. L. J. 1435;
Northern Assur. Co. vs. Grandview Bldg. Assn. 31 Ins. L. J. 97;
Worchester Bank vs. Hartford F. Ins. Co. 11 Cush. 265;
Hale vs. Mechanics Mut. F. Ins. Co. 6 Gray, 169;
Smith vs. Niagara F. Ins. Co. 60 Vt. 682;
Wilson vs. Ins. Co. 4 R. I. 141;
Cleaver vs. Traders Ins. Co. 65 Mich. 527-71 Mich. 414.
Sheldon vs. Hartford, 22 Conn. 235;
Glendale Mfg. Co. vs. Protection Ins. Co. 21 Conn. 19-37;
Hough vs. City F. Ins. Co. 29 Conn. 10;
N. Y. Ins. Co. vs. Thomas, 3 Johns Cases 1;
Jennings vs. Chenango Mut. Ins. Co. 2 Denio, 75;
Higginson vs. Dall, 13 Mass. 96;
Fowler vs. Metropolitan Ins. Co. 116 N. Y. 389;
Baumgartel vs. Providence, Wash. 136 N. Y. 547;
Raesch vs. Michigan Mut. F. Ins. Co. 31 Ins. L. J. 399;

(2) 2 Benn. F. I. Cases 112, 134;
Penn. F. Ins. Co. vs. Kittle, 8 Ins. L. J. 326;
Graves vs. Ins. Co. 43 Wis; 12 Wend. N. Y. 407;
Tyler vs. Aetna 16 id 385; Flanders Ins. 1st Ed. 45;

(3) Angell Ins. 144; Flanders 51; 4 Howe U. S. 184; Gray Mass 265;
3 Benn. F. I. Cases 144; 19 N. H. 580;
Oscar vs. Prov. Wash. 19 (U. C. Q. B.) 257;
L'Engle vs. Scottish Union (Flo.) 34 Ins. L. J. 97;

(4) L'Engle vs. Ins. Co. (Flo. S. C.) S. W. Rep. 462;
Parkhurst-Mer. Co. vs. Ins. Co. 38 Ins. L. J. 363; 4 Ins. L. J. 244; 15 Ins. L. J. 503;

(5) N. Y. Cent. Ins. Co. vs. Watson 23 Mich. 486;
Gross vs. Ins. Co. Cent. Dig. 22-109;
Equitable F. I. Co. vs. The Chang W. Hong Co. Ins. Dig. 20-96;
Wilson v. Anchor 38 Ins. L. J. 1016; Ins. Cent. 256-272; Dec. Dig. 143; Cent/Dig. 968-977; Dec. Dig. 336;
Spann vs. Ins. Co. 38 Ins. L. J. 1020; Ins. Dig. 660; Dec. Dig. 288-634;
Gross vs. Ins. Co. 38 Ins. L. J. 1245;
Potter vs. Ont. Mut. Ins. Co. 5. Hill N. Y. Angell Ins. 143; 1 Parsons Ins. Co. 119 N. 3;
Glassock et al vs. Des Moines Ins. Co. 33 Ins. L. J. 953;

(6) Flanders Ins. Lst. Ed. 42;
Rowley vs. Aetna Ins. Co. 40 N. Y. R. 557;

(7) Niagara Ins. Co. vs. Seammon (111 Sup.) 28 N. E. 919; Marsh Ins. 121; Park Ins. 280-282; Angell Ins. 22; Flanders Ins. 36; May Ins. 438-445;

(8) Mason vs. Andes Ins. Co. 23 U. C. C. P. 37;
Gilchrist vs. Gore Dist. Mut. 34 U. C. Q. B. 15;
Wash. Ins. Co. vs. Davidson 30 Md. 91;
Manhattan Ins. Co. vs. Stein & Zang 5 Bush Ky. 652;

(9) Sloat vs. Royal 49 Pa. Sta. 14;
Harris vs. Ohio Ins. Co. 5 Ohio 466-467;
Comie vs. Ky. Ins. Co. 15 B. Monroe, Ky. 432;
Stacey vs. Franklin Ins. Co. 2 Watts & S. Pa. 506; 1 Benn. F. I. Cases 586; id 72; 4 Ins. L. J. 975;

(10) Western Assn. Co. vs. Ferrell (Miss.) 35 Ins. L. J. 315;
Kelly et al vs. Ins. Co. (Minn.) 35 Ins. L. J. 331;

(11) Johnson vs. Ins. Co 34 Ins. L. J. 609.

(12) Sheets et al vs. Iowa State Mut. Ins. Co. Kan. 135, S. W. Rep. (Apr. 5, 1911) 80. 40 Ins. L. J. 955;

(13) Nat. Union F. Ins. Co. vs. Dorroh (Tex.) 40 Ins. L. J. 484;
East Texas F. Ins. Co. vs. Blum, 76 Tex. 653, 13 S. W. 572;
Ins. Co. vs. Flippen, 4 Tex. Civ. App. 576, 23 S. W. 550;

(14) Raesch vs. Mich. Mut. F. Ins. Co. 31 Ins. L. J. 399;

(15) Prussian Nat. vs. Terrell, 40 Ins. L J. 944;

(16) Wm. Dolan vs. Missouri Town. Mut. 29 Ins. L. J. 473;

REDUCED RATE AVERAGE CLAUSE.

"In consideration of the reduced rate at which, and the form under which this policy is written, it is expressly stipulated and made a condition of the contract that, in event of loss, this company shall be liable for no greater proportion thereof than the amount hereby insured bears to eighty percent (80) of the actual value of the property described which this policy bears to the total insurance thereon. If this policy be divided into two or more items, the foregoing conditions shall apply to each item separately."

This clause is a valuable one for the insurance companies as it guarantees a proper amount of insurance will be carried to value. The insured receives a reduction in his rate which permits him to carry more insurance for the same cost. So both the insured and the company are benefited.

The adjustment of a loss under this clause is very simple. The insured agrees to carry a certain percentage of insurance to value and it is immaterial to the adjuster whether the insured has that amount of insurance or not. He apportions his company's policy on the pro rata that it bears to such percentage; but if the total insurance carried exceeds the agreed percentage, his apportionment is based on the pro rata of such total insurance.

ILLUSTRATION.

Loss, $15,000. Value of property, $60,000. Insurance, $40,000.

Co. "A" Ins. $10,000, with eighty percent Co-ins. Total Ins. Agreed on by Co. "A"	$48,000		
Co. "A" contributes on a basis of a total insurance of		$48,000	
Co. "A" pays 10000/48000 of the loss			$ 3,125.00
Co. "B" Ins. $10,000, with seventy percent Co-Ins. Total Ins. agreed on by Co. "B"	$42,000		
Co. "B" contributes on a basis of a total insurance of		$42,000	
Co. "B" pays 100000/42000 of the loss			$3,571.43
Co. "C" Ins. $20,000 with no Co-Ins. Agreement total insurance	$40,000		
Co. "C" contributes on a basis of the total insurance on the item		$40,000	
Co. "C" pays 20000/40000 of the loss			$7,500.00
Total paid by insurance companies			$14,196.43

The insured is short on Co. "A" policy which pays $3,125, under Co.-Ins. instead of paying $3,750, being one-fourth of the loss	$ 625.00
And under "B" policy which pays $3,571.43 under Co.-Ins. instead of $3,750, being one-fourth of the loss	$ 178.57
(From "Adjustment of Losses," by Wm. Sexton.)	$15,000.00

If the loss to the property is total the clause is inoperative.

REDUCED RATE THREE-QUARTER LIMITATION CLAUSE.

This clause has been held to be reasonable and valid. (1)

The Reduced Rate Average Clause or the Limitation Clause does not conflict with the clause as to other insurance and, where insured carried more insurance than the clause stipulated, the policy is void. (2)

In the case of Farmers Feed Co. the court held, that the percentage co-insurance clause means insurance by the insurer or the owner to the amount named, and the owner was a co-insurer of any deficiency. (3)

(1) Block vs. Ins. Co. 36 Ins. L. J. 688;
Farmers Feed Co. vs. S. U. & Nat. 31 Ins. L. J. 84;

(2) Woolford vs. Phoenix Ins. Co. (Mass.) 35 Ins. L. J. 316;
Cutler vs. Royal Ins. Co. 70 Conn. 566, 572;
Allen vs. Germania Ins. Co. 123 N. Y. 6;

(3) Farmers Feed Co. vs. Scottish Union, 32 Ins. L. J. 162;

RENT INSURANCE.

A rent insurance policy stipulates that the insurer shall be liable for the actual loss of rent by fire rendering the building untenantable, based on the rentals in force from the rented portions at the time of the fire, and computed from the date of the fire for the time required to put the premises in tenantable condition, and requiring the insured to carry insurance on the rent in an amount equal to the annual rental, under penalty of being a co-insurer to the extent of the deficiency; and makes the insurer liable for such amount of the rent, at the rate paid for the portions rented at the time of a fire, as would become payable to insured during the time required to restore the premises to a tenantable condition, without deduction for any expenses connected with the renting; the policy being analogous to a "valued policy" defined by Civil Code 2596. (1) A company, however, is not liable for loss of rents caused by the city authorities in delaying rebuilding pending relocating street lines. (2)

(1) Whitney Est. Co. vs. Northern Assn. Co. 38 Ins. L. J. 823; Cent. Dig. 358; Dec. Dig. 173;

(2) Palatine Ins. Co. vs. O'Brien, 38 Ins. L. J. 482;
Amusement Syndicate Co. et al vs. Prussian Nat. Ins. Co. 40 Ins. L. J. 1882;

SUBROGATION.

"If this company shall claim that the fire was caused by the act or neglect of any person or corporation this company shall, on payment of the loss, be subrogated to the extent of such payment to all right of recovery by the insured for loss resulting therefrom, and such right shall be assigned to this company by the insured on receiving such payment."

The subrogation clause gives the company the rights of a claimant against a person or corporation for damage or loss caused by them to the property of the insured, to the amount paid. The insured has a claim against the person or corporation for the amount of his loss or damage above that paid by the insurance company. (1) Subrogation should be taken when a railroad company is responsible for the fire; when a party is liable for having set the fire, or contributed to the destruction of the property; where explosives are kept by a third party and damage results therefrom; where a gas or an electric light and power company are responsible for the loss; or where anyone is responsible for the loss other than the insured. The wording of our present form is faulty in that it does not provide against the insured settling with the party at fault and thereby defeating any claim the insurance company might have by reason of the payment of the loss. Where the insured settled with a gas company, an action could not be maintained by the insurance company without an assignment of the claim against the gas company. Where the insured secured judgment against a corporation for the loss by fire caused by them, the insurance company has a right to compel the insured to assign the judgment to them. (2) Where insured agreed with the railroad company that he would hold it harmless from any liability from any loss by fire, there can be no recovery against the insured. (3) If the insured brings an action for the recovery of a loss from the wrong doer and the insurance company does not intervene to protect its rights, they cannot recover.

(1) Foster vs. Missouri Pac. Ry., 39 Ins. L. J. 1066; Ins. Cent. Dig. 1504-1511-1514-1516 Dec. Dig. 606 (Feby. 1907.)
Gillespie vs. Ins. Co. (W. Va. S. C.) 56 S. W. Rep; 213;
Pittsburg C. C. Ry. vs. Ins. Co. 38 Ins. L. J. 715;
Hamburg-Bremen F. Ins. Co. vs. Atlantic Coast Line R. Co. 32 Ins. L. J. 539;
Greenwich Ins. Co. vs. Louisville and N. R. Co. et al 31 Ins. L. J. 298;

Svea Ins. Co. vs. Packham 30 Ins. L. J. 303;
Traders vs. Race 142 Ill. 338, 31 N. E. 392, 23 L. R. A. 101 25 L. R. A. 681;
Wisconsin B. & L. Ass'n vs. Webster 119 Wis. 476, 97 N. W. 171;
Niagara Ins. Co. vs. Fidelity Co. 123 Pa. St. 516;
Dilling vs. Draemel 9 N. Y. S. C. 497, 16 Daly 104;

(2) Cary et al vs. Phoenix Ins. Co. (S. C. E. C.) 40 Ins. L. J. 389;
Gillespie vs. S. U. & Nat. Ins. Co. (S. C. W. V.) 36 Ins. L. J. 300;
Cooleys Law of Ins. 3916;

(3) Downs vs. Ins. Co. (Wash.) 35 Ins. L. J. 273;
Mansfield Mut. F. Ins. Co. vs. Cleveland R. R. 35 Ins. L. J. 527;
Griswold vs. Illinois Ry. Co. 90 Iowa 265;
Stephens vs. S. P. R. R. 109 Cal. 86;
Greenwich Ins. Co. vs. L. & N. R. R. Co. 112 Ky. 598;
Hartford Ins. Co. vs. C. M. & P. Ry. Co. 175 U. S. 91;
Pelzer vs. St. Paul 41 Fed. 271, 19 Ins. L. J. 372;
Jackson Co. vs. Ins. Co. 15 Ins. L. J. 47;
German American Ins. Co. vs. R. R. Co. (S. C. S. C) Aug. 1907;
Shawnee Fire Ins. Co. vs. Cosgrove et al 40 Ins. L. J. 1761;

TENANTS IMPROVEMENTS.

Tenants improvements are usually covered under the furniture and fixtures form. Tenants improvements consist of wall and ceiling decorations, store fronts, floors, balconies or any improvements made to the building which can be removed without injury to the building. The insurable interest of the insured decreases each year and that of the owner of the building increases. If tenants improvements are insured it should be a separate item of the policy and for a specific amount and under a form containing the following language: This company will not be liable for more than its pro rata proportion of the value of insured's interest in improvements made by him, for the unexpired portion of the lease, being an equal amount for each year of the term of said lease.

THREE-QUARTER CLAUSE.

THREE-QUARTER LOSS CLAUSE: "It is hereby agreed that this company shall not be liable in any event for more than THREE-FOURTHS of any loss by fire, which may occur to the property covered by this policy nor for more than THREE-FOURTHS of the sum insured under this policy."

This clause has been held valid by nearly all courts and it should be made a part of all policies covering risks remote from an agency and

especially on mining property. It is one of the best safeguards against incendiarism.

THREE-QUARTER VALUE CLAUSE: "This company shall not be liable for more than THREE-FOURTHS of the actual cash value of the property hereby insured, as of the time immediately preceding such loss."

This clause is used on all policies covering hay in the field or warehouse. It has saved the companies many crooked losses and should always be used whenever possible. The courts hold that it is reasonable and valid. (1)

(1) Weaver vs. Security Ins. Co. (Ark. S. C.) 90 S. W. Rep. Jan. 1903, 13;
U. S. Fire Ins. Co. vs. Sam Bynum & Co. 40 Ins. L. J. 1622;
Surface vs. Northwestern Nat. Ins. Co. 40 Ins. L. J. 1798;

VACANCY PERMIT.

Permission is granted for premises to remain vacant for a stated period. It should not exceed three months. Some forms contain a permanent vacancy permit and it is a very grave mistake. The greatest care should be exercised in granting them, and the insured should be advised of what is expected of him during the non-occupancy of the property. The question of vacancy has been ruled upon by all courts and where the agent had no knowledge of the vacancy and it was not customary for the building to be idle or unoccupied part of the time, the clause is held to be valid. (1)

The word "occupied" does not mean in operation. (2) It is a word of description only. (3) The clause should read "occupied and operated as a, etc., and only while so operated," and there could be no doubt as to our meaning. A temporary absence, although exceeding the limit allowed by the policy, does not constitute vacancy. (4)

The vacancy clause is waived if the building is vacant when policy is issued (5); if agent knew premises would be vacant during winter (6): if building is in course of construction; (See reference 5) the clause is not operative where the mill was shut down on account of illness of owner; (7): where low water, diminished custom, or derangement of machinery causing a temporary discontinuance (8); where mill was shut down to secure proper quality of cotton (9): where factory was shut down on account of epidemic of yellow fever (10); where stock of logs was temporarily exhausted (11); and where agent agrees to renew permit. (12) If one room of a dwelling is furnished and occupied it is not vacated; (13) some courts hold that if a dwelling is furnished, it is not vacant, as vacant means empty. (14) The majority of the courts hold, however, that a building is

occupied when human beings habitually reside in it, and unoccupied when no one lives or dwells in it. (15) This rule does not apply to public buildings or schools as they are known to be vacant at certain periods of the year. (16)

Where mining property is covered and each building is insured specifically, the non-occupancy of one building will not be considered vacant as the clause refers to the entire plant and not any particular building. (17) If the clause in reference to vacancy reads, "if one part of the plant is vacant then the policy is void as to every part," the clause would hold. (18)

Permits for vacancy on manufacturing risks should contain the "Watchman's Clause" and the "Three-quarter Insurance or Value Clause," and wherever possible the Three-quarter Loss Clause.

(1) Knowlton vs. Ins. Co. 35 Ins. L. J. 81;
Moore vs. Niagara Fire Ins. Co. 30 Ins. L. J. 458;
Thomas vs. Hartford Ins. Co. 29 Ins. L. J. 128;

(2) Home Ins. Co. vs. N. L. Ice & Elec. Co. 37 Ins. L. J. 935;
German-American vs. Russell, 31 Ins. L. J. 863;

(3) Silver vs. London Assur. Corp. 40 Ins. L. J. 479;

(4) Johnson vs. Norwalk Ins. Co. 29 Ins. L. J. 371;

(5) Dodge vs. Ins. Co. 110 M. 374, 72 Atl. 1036;
Athens Mut. Ins. Co. vs. Toney, 1 Ga. App. 492, 595 E. 1013;
Ins. Co. vs. Pitts, 35 Ins. L. J. 1431;
Aipel et al vs. Boston Ins. Co. 33 Ins. L. J. 821;
Bartlett vs. Brit. Amer. Ins. Co. 33 Ins. L. J. 849;
Capital Ins. Co. vs. Carroll et al 39 Ins. L. J. 1258;

(6) Wautsare vs. Ins. Co. Ins. L. J. 19;

(7) Bakhaus vs. Ins. Co. 39 Ins. L. J. 1431;
Harris vs. North America, 35 Ins. L. J. 444;
Ladd et al vs. Aetna Ins. Co; (N. Y. S. C.) 24 N. Y. Supp. (Aug. 31, 1893) p 384;

(8) Whitney vs. Black River Ins. Co. 9 Hun, 37, 42;

(9) American Ins. Co. vs. Brighton, 125 Ill. 131;

(10) Pass vs. Ins. Co. 75 Tenn. 704;

(11) City P. & S. M. Co. vs. Ins. Co. 18 Ins. L. J. 197;

(12) Sutherland vs. Ins. Co. 39 Ins. L. J. 1335;

(13) Agricultural Ins. Co. vs. Owens, 40 Ins. L. J. 391; 132 S. W. Rep. 828;
Home Ins. Co. vs. Hancock, 30 Ins. L. J. 633;
German-American Ins. Co. vs. Evans, 30 Ins. L. J. 827;

(14) Hampton et al vs. Hartford Ins. Co. 30 Ins. L. J. 141;

(15) Johnson vs. Norwalk Ins. Co. 29 Ins. L. J. 371;

(16) Mississippi Home Ins. Co. vs. Stevens, 37 Ins. L. J. 667;

(17) Central North Mines Co. vs. Ins. Cos. 33 Ins. L. J. 745;

(18) Mecca Fire Ins. Co. vs. Coughlan, 40 Ins. L. J. 816;

WATCHMAN'S CLAUSE.

"It is warranted by the insured that at all times when the property herein described shall be idle or inoperative, a constant day and night watchman shall be kept on duty; and provided that if such property be idle or shut down for more than thirty days at any one time, notice must be given this company, and permission to remain idle for such time must be endorsed hereon, or this policy shall immediately cease and determine."

In the Tillamook Lumber Company case, the court said: the word "idle or inoperative" means a state of disuse and that the plant was not therefore idle or inoperative so as to require a watchman during a customary suspension of operation of the mill on Sundays or the nonuse of the electric plant during the day time. (1) There is no doubt but that the insurance company believed that the watchman's clause was a warranty by the insured to keep a watchman on the premises whenever the plant was not in full operation, nights, Sundays or holidays, but the court considers the custom of such properties and presumes that the insurance company knew it was customary to close down on Sundays and that the clause did not refer to such temporary shut down on account of the second part of the clause which states that if the plant is shut down for thirty days or more then the insured must obtain permission from the company. For instance, you cannot consider church buildings or out-buildings on a farm temporarily not in use, as vacant. (2) The objection to the clause seems to be that we provide for notice to the company when the plant is idle thirty days or more and use the same language in both parts of the clause. We do not intend that the word "idle" means the same in each case, but the court holds that it is used in the same sense. (3)

The clause is really a very valuable one and necessary for the proper protection of not only the company but the insured. If it read, and at all times when the plant is not in actual operation, whether during a customary

shut down or not, and provided further that if the plant is to remain idle for a longer period than the customary shut down, then permission must be obtained from this company in writing or this policy shall immediately cease and determine, I believe it could not be misunderstood.

Where a policy gave permission for the works to remain idle, "provided that at all times when the works are idle or inoperative" a watchman should be on duty at night, held, that where the works were operated during the day, and it was customary not to operate at night, a watchman was not required. (4) Where there was a warranty that a watchman should be employed, his absence at the time of the fire, through the sickness of his wife, did not defeat the policy. (5) Under an express warranty that "at all times a competent watchman shall be on duty," the absence of the watchman at the time of the fire rendered the policy void. (6)

(1) L. & L. & G. Ins. C. vs. Tillamook Lum. Co. 39 Ins. L. J. 1122;

(2) Hampton vs. Ins. Co. 63 N. J. Law, 265;
Caraher vs. Ins. Co. 63 Hun. 82;
Fritz vs. Ins. Co. 78 Mich. 565;

(3) DeMoines Ice Co. vs. Ins. Co. 99 Iowa, 193;
Whitney vs. Ins. Co. 9 Hun. N. Y.
Williams vs. Ins. Co. 24 Fed. 234;
American Ins. Co. vs. Mfg. Co. 125 Ill. 131;

(4) MacIntosh vs. Ins. Co. (S. C. Cal.) 37 Ins. L. J. 715;

(5) McCannon vs. Michigan Millers Mut. Ins. Co. 30 Ins. L. J. 872;

(6) Whealton Packing Co. vs. Aetna Ins. Co. 40 Ins. L. J. 1210;

CONCLUSION.

In this paper I have endeavored to pick out the principal cases in order to prove that there is but little uniformity in the rulings of the courts. We complain of the interpretations of the clauses and permits and the fault is really our own. We can make a uniform set of permits, worded in clear, unambiguous language that will stand the tests of the courts, and the time has arrived when it should be done. If a uniform set of forms, permits, clauses and warranties were adopted by all companies, eliminating all unnecessary words such as "if any," "in case of loss," "due diligence," and many such other terms, and couch them in words that anyone may understand their meaning, there would be less misunderstanding and this would prevent, to a great extent, adverse legislation. We acquire a small knowledge of law, and attempt to word our forms as a lawyer would, and

when we are through we are the only ones that can tell their meaning. Any doubt as to the meaning of a clause is interpreted in favor of the insured, and it will continue to be so until we are able to interpret them ourselves.

From the interpretations of the the courts, I am satisfied that all warranties should read "in consideration of the premium named herein, it is warranted, etc." There should be some consideration shown for giving the insured a privilege which is contrary to the conditions of the policy, and which would not be given without the warranty of the insured, and if this is clearly shown, the courts will give the clause the weight it deserves. They should be signed by the insured as well as by the agent.

In conclusion let me call your attention to this fact, rates have been reduced until there is very little margin left on formerly preferred business. Commissions and taxes have been increased so that underwriting profit on this Coast is about at an end. It behooves us, therefore, to insist upon the conditions of the policy contract in order to keep the loss ratio down as low as possible. We must see that our policy forms are so worded that if it is necessary to submit them to a court that they will afford us the protection contemplated.

The President—Gentlemen, it is apparent to all present that the paper by Mr. Williams is one of the most valuable that has ever been read to this Association. We certainly should have a copy of it for our library. There were one or two points brought out by Mr. Williams that struck me as new. One was that gasoline in a drug stock would be covered or insured under the words "other similar merchandise." This I think worthy of consideration. I am very glad that Mr. Williams touched on the phraseology of "while contained," etc., in dwelling house forms, and agree that it should be, "all and only while contained, and no where else." That is another point well taken. His reference to the clause "as his interest may appear," is also one that it is well to have brought to our attention. I consider this paper one worthy of discussion, and, as Mr. Osborn has written on the subject "As His Interest May Appear," I would like to hear from him upon it.

Mr. Osborn—I think, without exception, this is one of the best papers I ever heard in the Association. Its length precludes the analysis that might be very pertinent and very helpful. But, nevertheless, it is so replete with facts that it is a subject we should go carefully into by reading the document after it is printed. I was sorry that I could not follow it more closely. But the rapid change from one decision to another, and one subject to another, did preclude that. I tried to make mental notes of a number of things in connection with the paper. There were some points from which I would personally dissent. But I understand that Mr. Williams has given a careful reference to these decisions covering each of the points that he made. I do not care to discuss any one particular point, such, for instance, as that alluded to by the President, because that has been discussed by me with Mr. Williams many times, and I am fully in accord with the paper in that respect. I simply want to lay stress upon one thing, and that is the growing tendency of the courts throughout the country to a socialism in our contracts. A policy of insurance was designed as a sacred agreement between the parties, generally framed by lawyers who understand the use and abuse of words. It nevertheless found its stumbling blocks when it got into court, showing manifestly the mutability of language. I think that the recent doctrine that has appalled me more than anything else is that which may be termed the "doctrine of election," whereby the company must elect when it learns of certain things in violation of the contract, whether it will rescind, or whether it will tacitly pass the breach by. That doctrine is a dangerous one. It is founded upon a socialistic theory. We are trending towards a socialism, unquestionably, and the courts are aiming to placate the public mind, and the public mind is now becoming more centralized and disposed to carry out the principles of the initiative, more disposed to take into its own hands the ruling and will of the people, so-called. We must, therefore, pay more attention in the future, as Mr. Williams says, to the construction of these con-

tracts. We are very apt to rely upon the lawyer, so-called. My experience is that when lawyers draw up a contract, they are quite apt to get into litigation over it, possibly more so than if two sensible and intelligent men draw it, because the two sensible and intelligent men would be apt to express in sane and usual language the intention. So we may well feel the potent influence of this change which is going on in the courts of the land. Our contracts are being misconstrued, undoubtedly, but only in line with the general tendency to construe them according to general and popular feeling. We must remember that when the insured places his risk with the agent or the company, he is to a very large extent unfamiliar with the workings of our business. His language is broad and apt to comprehend an infinite variety of subjects and generally far greater than the contract stipulates.

I hope that the time will come, although I am beginning to despair, when the pendulum will swing the other way, and when the conditions embodied within a contract of insurance will be as sacred as an agreement between individuals, that the courts will recognize them, and will not permit themselves to be swayed by popular judgment, or even popular demand. (Applause.)

The President—Mr. Sexton, may we hear from you regarding this paper ?

Mr. Sexton—Mr. Chairman and gentlemen, this was put on the program as a paper, but we have listened to a book, one of the best books on the insurance contract that I have ever known. I never read anything better. It is boiled down. I understand from Mr. Williams that he has 597 decisions that he has collated and made notes of, in it. The contract of insurance, that is, the legal part of it, as framed by the State of New York or the State of California, or any other State, is complete in itself. It contains all of the law of the contract. And unless we interline something that sets it aside, the court upholds it. That is our experience. But we very often make a new contract by endorsements. Some-

time away back beyond the memory of any one present (Colonel Kinne is not here)—when we had a very strong board, as we had at one time—that is news to you men, but we had a strong board about thirty or thirty-five years ago, and to evade the Board Rule, a friend of ours wrote a policy on a nice brick butcher shop. He wanted it very bad, and as the family lived up stairs, he wrote it as a dwelling, putting on an endorsement, "permission given to cut and sell meat by daylight only." Coming from that endorsement down to the last one I had to growl at, which was an endorsement on a stock of lumber in a saw mill yard, and read: "In the event of loss, the market value of the property at the time of the fire shall be the measure of damages." In other words that the company should pay the market value of that lumber at the time of the fire. The market value of the lumber at the time of the fire was $22 a thousand, because the mill people had a cinch on it. But they kindly reduced it from $22 to $20. The insurance was only $18 a thousand. The lumber cost the party to make somewhere between $7 and $9 a thousand. At the rate at which they were selling that lumber, about sixteen months would have been required to clean it up. Now, figuring the expense of selling and commissions and time and the present value of that money, that is, discounting it, made at least ten percent, that the man got more than the present cash value of the lumber. The contract as made by the law is the present cash value of the property at the time of the fire, and not to exceed what it would cost the insured to replace when he could replace. But the insurance companies bought it for $18 a thousand, making a clean profit of at least $9 a thousand for the insured. We have had a number of that class of losses. I learned from lumber men that that class of lumber on the ground was worth from $10 to $12 a thousand where they buy a million feet.

Our whole trouble is not so much that of the courts. Judge Hardsense has written a good many good decisions. It is the fault

of the man at the desk. When a ship goes ashore, it is not the fault of the captain, but the fault of the man at the wheel, the sailor, the every day man who gets $10 or $14 a month. Our underwriting is run very largely by a man who has an interest in getting a big commission, and who needs not care what happens to the insurance company.

This book should be printed by this Association, if Mr. Williams will permit it. It should be on every manager's desk. The man who makes the endorsements, the sailor, the man at the wheel, should have a copy of it, and look into it every time he is called upon to make an endorsement. It will save many bad losses. For this reason I hope that the book will be printed; that is, that a large edition will be printed and sold at a small price. It is the best book now in print. (Applause.)

The President—I am very glad that Mr. Sexton referred to the dwelling and butcher shop incident. It brings forcibly to my mind a reference I made in my address yesterday, to the fact that each day we are treading more and more on dangerous ground when we allow brokers to insert clauses in our policies which supercede the printed conditions of the policy. Is there any other gentleman who would like to say anything upon the subject of Mr. Williams's paper? If not, we will take up the next one, which is a very excellent paper by Mr. McClure Kelly, on the subject of "The Cotton Industry in California." Gentlemen, Mr. Kelly. (Applause.)

Mr. Kelly—Mr. President and gentlemen: I trust you will not be alarmed at the apparent length of this paper. I am not going to read it all. Most of it is for reference purposes, if it is desired to print it hereafter.

The Cotton Industry in California—Its Treatment From an Underwriting Standpoint.

McClure Kelly,

Asst. General Agent Franklin Fire Ins. Co.

In addressing you upon the above subject, I am not unmindful of the fact that there are many of you to whom it may not especially appeal. I refer to those of your members whose labors lie in the Northwest, a territory in whose rigorous climate the fleecy staple will never be produced, and where the hazard will consequently never have to be handled, unless we have to deal with it at times when cotton from the South is in transit through Seattle or Tacoma, to the Orient. I happen to know that some shipments are made through these ports at the present time, but I do not think that this has as yet reached any large proportion, and as to whether or not it will ever be large enough to create conditions which will concern the Northwestern underwriters, depends upon trade conditions.

However, the cotton industry in Southern California has already assumed such proportions that it is beginning to be of much concern to Pacific Coast managers, and the rapidity with which it is being expanded, will, in my judgment, make it an important item in the premium receipts of the San Francisco department offices. I have already had numerous inquiries from my associates regarding the industry, and will endeavor in this paper to give you a brief outline of the various hazards in connection with the business, which I hope will be of some value to those of you to whom the industry is entirely new. My underwriting experience having been largely in the "Cotton Belt," I feel that I should naturally be qualified to give you some information that will be of value.

It has now been about four years since the industrial department of the Southern Pacific railroad, being impressed with the very favorable soil and climatic conditions in the Imperial Valley of California, decided to introduce "King Cotton" into that section and make some experiments with him, but it was not until 1909 that the production was taken up as an industry. In this year there were placed under cultivation about 600 acres, from which was produced 600 bales of cotton; in 1910 there were planted 10,000 acres, from which 6,000 bales of cotton were raised; and in 1911 the production was about 8,000 bales of cotton from 12,000 acres. I understand that there is available in this section 150,000 acres of cotton land, which can and doubtless will be put under cultivation, and from what I can learn, I am convinced that as soon as the California growers learn the business they will be able to produce easily, one bale to an acre, as compared to one-half to three-fourths of a bale per acre in the South. Such being the case,

we will eventually have 150,000 bales of cotton each year to reckon with. At $50 per bale, which is an average price under present market conditions, we will have approximately $7,500,000 to deal with, and this should produce quite a nice volume of premiums.

Owing to the fact that this land will be handled entirely by irrigation, we will not have the crop failures to contend with that the Southern planter has, either from drought or the other extreme, floods.

In dealing with the proposition from an underwriting standpoint, we have four classifications to consider, namely: the cotton gin, the open yard, the warehouse and compress, and the cotton-seed oil mill. At the present time there are in operation in Imperial Valley, four cotton gins, one oil mill, and numerous warehouses, but as yet no compress has been built, the production not warranting this. The cotton gin being where the underwriter is first called in (and the adjuster most frequently), we will take up the consideration of that hazard first.

There are three classes of gins, as follows: the plantation gin, the country gin, and the railroad gin. The first is for the handling of the planter's own cotton, the last two for the handling of the general custom.

I am appending hereto a description of the standard gin with cuts showing its construction, and let me warn you to beware of any material departure therefrom, in your acceptances. *

I will not go into detail as to the physical hazard, the cuts and description referred to above being available to those who desire this information, but you can readily understand that the hazard arising from the operation of machinery such as this, is considerable. If a rock or match should get mixed up with the cotton and be conveyed into the gin, as is often the case, there is but one consequence and that is a pyrotechnic display. To guard against this, the modern gin stand, as you will note, is constructed almost entirely of steel, the machinery enclosed in metal, and the conveyors being made of metal, and all so arranged as to enable the operators to flood the interior with live steam. This brings me to a very serious objection to the Imperial Valley gin. These, as I understand, are all operated by gasoline engines, which, of course, do not permit the operation of a steam pipe, and for the absence of which, in the southern gin, a charge of fifty cents is added to the rate, as this has been found a most effective measure in preventing losses, and the absence thereof materially increases the hazard.

I have now covered the physical hazard except that incident to the usual manufacturing plant, and I will turn to the consideration of the moral hazard, which has to be watched most closely. As a general propo-

*The cuts referred to in this article are on file in the Library of the Association.

sition, the moral hazard of the railroad gin is good, provided there are not too many in one location. It is of the custom country gin that it behooves us to take extreme care, if we write it at all, and for this reason, when the farmer takes his cotton to the country gin he has to haul his seed to the railroad and in so doing has considerable wastage. The practical farmer, therefore, will take his cotton direct to the railroad gin where he can load his seed directly on the cars without the attendant wastage of a long haul. Consequently it has been found that the custom country gin is almost invariably a failure. This, however, does not apply to the plantation gin where the farmer raises sufficient cotton to warrant the erection of a gin to handle his own production. Generally speaking, this should be of 1,000 bales. In order to make a custom gin profitable, it should be able to handle at least 1,500 bales each season, a charge of $2.25 per bale being exacted for ginning.

I have never been able to determine as to whether or not the companies have made any money on this class in the South. They claim not, and those offices which write the hazard state that they do so on account of the leverage it gives on other business. However, I heard it charged by a certain general agent in the South, who announced his intention of embarking into the gin business, that Trezevant & Cochran have made barrels of money out of it, and were simply crying "wolf" to frighten their competitors, leaving all the profit to them. I do not know about this; possibly my worthy chieftan, Mr. Kinne, can enlighten us, he having been connected with Trezevant & Cochran before coming to the Coast (?) In any event, I know that the losses on the class have been enormous and that the business has to be written with the greatest care, if any profit is to be expected. However, there has been a great improvement in the construction of gin machinery of late years, with a special view to the avoidance of fire, and the chance of making money on the class is much better than under the old order of things.

From the gin the cotton is taken to the open yard or warehouse, where it is held prior to compress and shipment. The open yard should be liberally supplied with buckets and barrels, and at night the cotton should be under the care of a competent watchman. The principal danger here is from the careless use of matches, cigars, and cigarettes, and sparks from passing locomotives, or adjacent manufacturing plants. This latter hazard, however, is remote in California where fuel oil is used so extensively. In the event of a fire here, the salvage is usually large, owing to the fact that so much of the cotton can be rolled out of danger.

Since writing this paper, I ran across a newspaper clipping which touches on this point, and which will be of interest. It is dated at San

Diego, February 12, and reads: "Fire destroyed the Canteloupe sheds at El Centro, near Calexico, in which was stored about 70 bales of cotton belonging to Daly Bros. and Cage, one of the firms of buyers at that place. The cotton was not an entire loss, as only the outside was damaged by the fire. The salvage will probably be fifty percent. There was insurance on both building and cotton."

On this account I prefer the open yard to a closed warehouse (except where it is divided into compartments), especially at the higher rate paid by the former. In a closed warehouse the loss is almost always total, unless there are several large exits, the doors of which should open outward at both ends, thereby enabling the removal of cotton with freedom and dispatch. The warehouse should always be liberally supplied with buckets and barrels, as well as hydrants and hose, the former having been found most efficient in the South in checking a blaze in its incipiency. During the busy season it is often necessary to leave part of the product in the open yard or on adjoining platforms, in which event a clear space of at least fifty feet should be maintained, and the cotton covered with tarpaulins.

When the cotton is ready for shipment it is taken to the compress and there the bales are reduced under the heavy pressure of massive machinery, to about one-third of their original size. The hazard here is usual to the ordinary manufacturing plant, the principal danger being from the boiler room, which should be cut off from the compress proper, by fire walls. It is always desirable in the open yard, warehouse, or compress, to have the cotton so piled as to leave open lanes throughout the entire premises, to render easy access to any part thereof, in event of fire.

I wish here to call your attention to the difference between cotton in bales and seed cotton, the former being far more preferable from an underwriting standpoint. Fire is much more liable to occur in the latter, is harder to handle, and the chance of salvage much less than in the baled product.

I will not in this paper attempt to deal with the oil mill hazard at any great length, as time will not permit. The hazards are many and various and I will only touch upon the principal ones, attaching a description of the standard mill and schedule of rating, which will give those interested, a fair idea of the hazard. The cotton seed is here put through linter machines, where the last vestige of cotton is removed from the seed. This is known as lint cotton or "linters," and is a very inferior grade of cotton, owing to its short staple, and brings a very low price. Often it is a "drug on the market," which naturally creates a bad moral hazard. It is very important that this should not be allowed to accumulate, but be immed-

iately removed to the lint press, and after being baled, taken away from the premises.

The seed house exposure constitutes a very serious hazard to the oil mill. These are usually frame structures of large area, and, owing to the nature of the contents, it is almost impossible to keep them clean. They should be located as far as practicable from the main building, which should be provided with a fire wall with protected openings on exposed sides.

During the busy season the seed house is jammed almost to the roof, with the cotton seed, and in the event of a fire getting started, it is a very difficult matter to get at it or control it, and it is much more difficult to handle or dispose of the salvage than it is to dispose of damaged cotton.

As to the forms under which cotton is insured in the South, these are many and some of them quite intricate. The best form of course, is that covering the cotton for a specific amount in a specific location, but trade conditions and competition of marine companies whose policies are made to cover the shore end of the risk, as well as perils of the sea, has made it necessary for the underwriter to adopt some very broad covers. One of the worst of these, in my judgment is the "per bale" form, which requires the insured to report each day, the number of bales passing through the compress or warehouse, upon which a certain charge per bale is made. This, however, has not been satisfactory, as it requires the services of a traveling auditor to check up the records of the compress, to see that all bales are reported, and that the company gets its premium on each and every bale.

In conclusion, some of my associates have expressed a fear that the industry in Southern California will not be a success, owing to the fact that the Imperial Valley is so inaccessible to the cotton market. However, I do not share this fear, as I understand that the Imperial Valley cotton is now being shipped to cotton factories in Houston, Texas, and being handled by them with entire satisfaction to growers.

In looking over the cotton statistics for last year, I find that there was $530,000,000 worth of raw cotton exported, of which $9,500,000 worth went to Japan. You will therefore see that we have a market for our cotton almost at our door, as the amount used by Japan is approximately the capacity of the Imperial Valley district, and with the development of the ports of Los Angeles and San Diego, the Imperial Valley cotton should find a ready market in the Nippon Empire.

In this connection, I have before me a clipping from one of the daily papers, noting the presence in the Imperial Valley, of the representative of Morimura Arai & Co., a Japanese cotton concern of New York City. It

seems that the representative of this firm spent three months investigating conditions in the Imperial Valley for the purpose of determining whether his company could enter the field as a competitive bidder for the cotton that is being raised there. This account states that he is fully satisfied that the product is worthy of exportation to Japan, and thinks the cotton is as good as that produced anywhere in the South. This indicates that the Japanese government is "sitting up and taking notice.'

But aside from this, I do not think there will ever be any trouble in marketing all the cotton that can be raised in the Imperial Valley, and that eventually we will have the question of congestion at the ports of Los Angeles, San Diego and San Francisco, to deal with. But this will be a question for consideration later on. (Applause.)

The President—Appreciating the fact that the cotton industry in California is one that we should give attention to, I asked Mr. Kelly to prepare a paper on the subject. The Association is indebted to him for the valuable information he has given us, as I am sure you will agree. I notice Mr. Wyper present, and as he has had experience in insuring cotton, I will ask him if he will make a few remarks upon the subject of Mr. Kelly's paper.

Mr. Wyper — Mr. President. My experience on cotton, cotton growing and cotton mills is naturally a good deal less than that of Mr. Kelly, who grew up in a cotton district, and probably was swaddled in a bale of cotton when he came into the world. I will say, however, that in my opinion the Association is to be congratulated on having in its membership a man who is so thoroughly posted on this subject as is Mr. Kelly.

The paper we have just listened to with so much pleasure, covers a number of interesting features and I judge from what Mr. Kelly said that there are other and very important points that were omitted in the reading, but which will be included in the paper when we have it in the proceedings for future reference.

There are one or two matters I noted as Mr. Kelly read, of which I would like to speak very briefly.

The first is: That it is necessary in all plants handling material that is subject to a flash hazard, or where the liability to rapid combustion is very great, that extreme protective measures should be adopted.

In the South where cotton gins are common, I mean in the well known cotton belt, steam has been relied on to a large extent to control incipient fires in risks of this kind. It is well known among planters and ginners that a jet of steam, properly directed, will control and put out a cotton fire in its incipiency. There have been cases, however, where cotton ginners have been led by their extreme enthusiasm to devise new schemes for bringing steam into contact with cotton fires, and I have in mind a well authenticated story of a ginner who had adopted practically all the suggestions made by the Inspection Bureau in Texas, and in addition to putting steam jets in his gins and other parts of the plant where flash fires might occur, thought it would be a good thing to connect a rubber hose with his boilers and be prepared in case of necessity to turn on a jet of steam from a brass nozzle. You can easily imagine what the result would be of a man trying to handle a brass nozzle with live steam going through it.

In connection with cotton seed oil mills, I thought when I first inspected risks of that character, that they were among the most interesting manufacturing plants it had ever been my lot to see. There are a number of hazards that are not found in other risks, and I think perhaps the one that attracted my attention most and the one that is perhaps less common in other risks than any of the other general hazards of the cotton seed oil business, is connected with the crushing process.

The oil presses are equipped with camel's hair cloths of an extremely close weave, this material being chosen because of its fine wearing qualities and its ability to resist great pressures. The oil from the crushed seed is forced at high pressure through these cloths, which of course eventually become clogged with the refuse from the crude oil.

While the cloths are in serviceable condition they are frequently cleaned, but it sometimes happens that when they are so worn as to be unfit for further use, they are cast aside, filled with the oily refuse from the presses.

Fuller's Earth is used in connection with the refining processes, and after use, it becomes "spent" and is then discarded. In the most modern plants this "spent" Fuller's Earth is removed from the premises by conveyors similar to those used in lumber plants for the removal of shavings, etc., but of course on a smaller scale. In plants where this method of removal has not been adopted, the "spent" earth is simply thrown into some convenient corner, and experience has shown that where this material comes into contact with the oily press cloths, spontaneous combustion frequently results.

Another process which interested me and one to which Mr. Kelly has referred at considerable length is found in the removal of the fluff or fine short cotton from the seed. This is done in what are known as linter machines, which are equipped with a vast number of very fine steel teeth or combs, which in their revolutions pick the seed so clean that when it comes from the machine it is almost as smooth as coffee berries.

The linters, as the cotton product is called, is the very inferior grade of cotton that is used for making batting or cheap bed covers and material of that sort. That is where we get the very cheap grades of cotton goods that are found in department stores, and it is used also to a considerable extent for making what is called absorbent cotton.

One other thing that occurred to me and one to which inspectors should look with great care in risks of this kind, is the character of the bales turned out from the cotton presses. Only within very recent years have our cotton presses turned out the dense and small bales that have characterized the product of the Egyptian and Indian presses for a long period. The density of the bales produced in Egypt and other foreign countries runs as high as

fifty pounds per cubic foot. These compact bales are now commonly produced in this country also, but it is probable that in Southern California, where the industry is a new one and the crop is small, the old fashioned bale with a density of only twenty to twenty-five pounds per cubic foot will be produced.

It is plain that a fire once started in a loosely compressed bale will travel much faster than in one which has been subjected to greater pressure. There have been cases where fire has been communicated to a small bale and has eaten its way through the cotton just as a wood borer would eat through a log, and without spreading to other bales.

In loosely compressed bales, however, the experience has frequently been very different, the greater rapidity of combustion having the effect of bursting the ties and scattering blazing cotton all around the works or yard, as the case may be, and starting fires in other bales.

I am not familiar with the actual conditions in the Southern California cotton district, but judge from what Mr. Kelley has said that the loose method of compressing the bales is being used, and we may therefore expect speedy combustion when once a fire starts. (Applause.)

The President—It is very apparent that Mr. Wyper has done some very close inspection of cotton gins, and the information he has given us is of value. I notice another gentleman who has had, I think, some experience in writing cotton risks. I refer to Mr. Washington Irving. I should be very glad to have a few remarks from him on the subject.

Mr. Irving—I have been so long on this Coast now that I feel more like a native Californian than an Easterner familiar with cotton underwriting, but in my boyhood days I used to know something about the cotton ginning business. I think the Phœnix was one of the first companies to take up the writing of cotton gins, and every year there used to be a gathering of the Southern

special and general agents to prepare a long form of warranty and application blank, which was signed by the assured, and this finally developed into a regular gin department. This was so long ago that it was before the Southeastern Underwriters Association put any rates on cotton gins at all, and we made our own rates. And we were not only doing a little favor by helping the agents write their gins, but we made a nice, large, fat sum of money out of our gin writing plant. Then, as other companies gradually came to realize that we had a paying line, they came into the field, and as a result of competition the signed application warranties and other safeguards were eliminated. About the time I left the East for this Coast there was no money left in the business for anybody.

I was much interested in what Mr. Kelly said about the future of cotton raising on this Coast, and particularly in California. I was particularly impressed by an article I saw in the Chronicle only the other day. I don't know whether it wasin the "Booster" number or not, but it pointed out that there are $25,000,000 worth of cotton, if I recollect rightly, taken to the Orient every year, and that California would be able to produce that amount, not only from the Imperial Valley, but points as far north as the Sacramento Valley were included in the statement as to the possibilities of growing cotton. That probably was an over-statement. But it is undoubtedly true that the southern section of California is quite capable of producing a very large crop of good cotton, and with the development of the country consequent upon the opening of the Panama Canal we will have this large crop of home-grown cotton to be handled. I think that the ginhouse hazard, the press hazard, the cotton seed oil hazard, and particularly the warehouse hazard, will have to be considered quite soon. I am particularly glad to hear so able a paper, and also such an able discussion of it at this time. I do not know that there is anything that I can add in the way of enlightenment on the hazard of the handling of cotton. There is one thing that

I might add. I do not know whether we fire underwriters are going to insure much of that cotton after it is ginned, because a good deal in the East, as mentioned by Mr. Kelly, comes under protection of the marine cover, and shore-end re-insurance of that marine cover gives the fire companies, perhaps, a little the short end of it if they want to take it. But there still will be enough left to interest all of us on the subject of the insurance of cotton. (Applause.)

Mr. Kelly—Mr. Irving said that the fire companies would get but a small portion of the marine cover. I happen to know that they get all of it.

Mr. Irving—They can get what they want of it, perhaps.

Mr. Kelly—The marine companies force all of the shore-end of the risk on the fire companies, and that is what has made it so difficult to handle. The fire companies will write it for the marine insurers, while they won't write it for the local companies, and you have got to be on watch all the time under such covers, as they re-insure all the shore risks in the fire companies.

The President — I am sure we are indebted to Mr. Wyper and Mr. Irving for their contributory remarks on the subject.

The President—Mr. Gunn, do you feel like reading the next paper, or shall we let it go until the afternoon session?

Mr. Gunn—It is noon now, and perhaps it had better go over.

The President—Very well. The next paper is entitled, "The Duties of the Fire Marshal," by Charles Towe, and it will be taken up the first thing this afternoon. If I hear no objection we will take a recess until two o'clock p. m.

The Secretary—I so move, Mr. President.

The motion was seconded and the convention adjourned until two o'clock p. m.

AFTERNOON SESSION.

The meeting was called to order by President Tiedemann.

The President—The first paper we have for this afternoon is entitled "The Duties of the Fire Marshal," by Charles Towe, Fire Marshal of San Francisco. As Mr. Towe is unable to be present I will ask Mr. Gunn to read it.

Mr. Sexton—Before reading this paper, Mr. President, I wish to refer to the paper (book) by Mr. Williams, read here this morning. I have had a talk with some of the other members of the Association since adjourning, and also learned from Mr. Williams that he will donate the paper to the Association for the good of the order. It ought to be printed. Our office will take twenty-five copies to start with. My suggestion is to have it printed, and if any company wants to put its own stamp on the cover, or wants a fancy cover, they can be printed for about fifty cents each, but with the ordinary cover it will probably cost about twenty-five cents. It is a book that every special ought to have, every clerk ought to have, and it would not be bad for the insured to have one. I move arrangements be made to have about a thousand copies made up, and that the Secretary or the Assistant Secretary canvass the various offices to see how many each office will take and how they want them bound, and if they want them bound a little better and the name of the company stamped on it, it can be done.

The Secretary—I second the motion.

The President—I think that a most gracious compliment to Mr. Williams, gentlemen, and one that is fully deserved. As I said this morning, I think it is one of the best papers ever read to this Association, and it is one that we ought to have distributed.

As Mr. Sexton has made the motion that a thousand copies be printed, and that the Secretary or Assistant Secretary canvass the various offices to see how many copies will be taken, the motion, having been duly seconded, is before you for discussion. I would like to hear any comment that may be made upon it.

Mr. Lowden—I would like to know whether it is intended that the paper shall be printed in the annual proceedings?

Mr. Sexton—Yes; everything will be printed there.

The President—I will state that Mr. Williams has been a year preparing the paper, and has referred to over 500 decisions in the course of it.

The question was called for and the motion unanimously carried.

The President—We will now proceed with the program, and Mr. Gunn will read the paper on "The Duties of a Fire Marshal," by Charles Towe.

Mr. Gunn—I wish to explain, should my voice not carry well, that I was at the Tillicums Dinner last night, and I haven't got home yet. I believe I was responsible for Mr. Towe's writing this paper—at least I took him to Mr. Tiedemann and suggested it. It is different work from what I supposed it would be. I do not know whether you know it or not, but I do not suppose there is a more efficient Fire Marshal in the United States than we have here in San Francisco. He is a "scrapper" and a fighter. He does not mind fighting firebugs, but he would not come here and face a bunch of fire insurance men to save the city. That is the reason some one has to read the paper for him.

Duties of a Fire Marshal.

Charles Towe,

Fire Marshal, San Francisco.

I was at first loath to comply with your good President's request that I write a paper for this meeting, but the thought occurred to me that if I could place before you in a creditable manner some information in regard to the Fire Marshal's office, and some observations in connection with his work, it might add to the education and enlightenment of the younger members of your Association. In doing this, however, you will all take into consideration the fact that writing papers is foreign to his duties.

What are the duties of the Fire Marshal of San Francisco? In attempting to define them, I will take but a few of the most important, as it would be futile for me to essay to enumerate them all.

First, his duties are governed and defined by the City Charter, which creates him a public officer. Two sections of the law as laid down in that Charter are worthy of your attention: Article IX, Chapter V, Section 3, says, "The Fire Marshal may call upon policemen during the time of any fire for the purpose of protecting property until the arrival of the owner or claimant thereof, and in case the owner or claimant of such property does not take charge of the same within twenty-four hours, the Fire Marshal may have such property stored at the owner's or claimant's expense."

(There is one thing Mr. Towe has not stated here, and that is that the city of San Francisco pays nothing whatever towards the maintenance of the Fire Marshal's department. It is paid entirely by the insurance companies, and they not only protect the companies and property that is insured thereby, but they also protect companies and property not insured just the same. I do not think he has made that quite clear here.)

Here we find he is required to protect property, to take charge of and restore it to the owner, who may not be present at the time of the fire. In such cases the Fire Marshal guards his property by placing a policeman to protect it. Maybe the firemen have only broken in the doors, but were it not for the protection referred to, the property would be at the mercy of thieves. Previous to the adoption of the Charter, the Fire Marshal was compelled to place private watchmen to protect property, charging the owner with the expense. This was a hardship on the citizen, as he was already taxed for police protection, and that kind of protection was not always free from graft.

Section 4 of the Charter: "The Fire Marshal shall be charged with the enforcement of all laws and ordinances relating to the storage, sale, and use of oils, combustible materials, and explosives, together with the

investigation of the causes of all fires. In all cases where there is reason to believe that fires are the result of crime, or that crime has been committed in connection therewith, the Fire Marshal must report the same in writing to the District Attorney. He shall exercise the functions of a peace officer."

This section defines and lays out his work; it was a wise provision to make. This State now produces millions of gallons of oil, bringing into the State many millions of dollars annually, and the section placed the storage and handling of oils in this city in the hands of a public official, holding him strictly responsible for the enforcement of all laws connected with it. Shortly after the passage of the Charter, I formulated laws and ordinances to meet the situation, and without boasting I can say that those laws were fully tested and demonstrated to the whole world that our methods of handling oils for fuel were absolutely safe.

One of the ordinances permits the storage of oils in any amount, setting aside a certain portion of the city for such storage, and defines how the oil shall be stored within that limit. When the question of permitting oil to be used as fuel first arose, many citizens, and even heads of our fire department, were skeptical as to its safety, and I, as the Fire Marshal, was drawn into the controversy. I had long been convinced that the high cost of coal for fuel in this city was a great drawback to our ever becoming a manufacturing center, and the use of oil as a cheap substitute seemed a welcome deliverance. Fears, however, were freely expressed that the use of oil for fuel would, in the natural order of things, be a menace; that it would blow up, cause fires hard to extinguish and finally burn the city down. I attended many meetings of our Board of Supervisors where these fears were strongly argued, and I was frequently asked what steps I intended to take, what I proposed to do, etc., etc. I replied I would be willing to permit any amount of oil to be stored and used, provided proper and safe laws were passed to govern the burning of oils. I held that oil must come; that it was bound to be a great factor in adding to our manufacturies; that it was bound in the near future to become a source of revenue to the whole State; that it could be burned and stored with absolute safety, safer even than coal, and cheaper than any other fuel on the market. Finally I was told to formulate laws and to present them to the Board of Supervisors for passage, and in doing so I was compelled to go deep into the study of the whole subject of oil. The law governing storage was first passed, setting aside a portion of the city where it could be stored in large quantities. One of the rules governing this storage is that the oil must be stored in steel tanks, thickness of the plates designated by the Fire Marshal. Around these tanks walls are to be constructed of such thickness,

height, and strength as to hold the full contents of the tank, so that, if the oil in the tanks should get on fire and the tanks burst, adjoining property would be protected from running burning oil. This protection is of particular value where tanks are at the water's edge, as it stops the oil from flowing on an ebb or flood tide, which, if allowed, would jeopardize the whole water front of the city.

The use of oil for fuel is strongly guarded by laws. Those wishing to use it must first obtain permission from the Board of Supervisors to do so. Then the application is turned over to the Fire Marshal to pass upon the necessary plans and specifications, and when these are approved of, a copy is returned to the Board of Supervisors, one to the applicant, and another is placed on file in the office of the Fire Marshal for future reference and record.

Without going into details of installation, let me inform you of an incident that goes far indeed toward showing that our methods of installation are absolutely safe. You are all aware that six years ago San Francisco was visited with the greatest fire the world ever saw. Within the burned district of the city I had installed 118 oil burning plants and about 60 gasoline tanks. In two weeks after the city had cooled off I found every one of those tanks intact and the oil had to be finally pumped out of them. Who of us ever saw or ever will see a hotter fire ? I thought at the time it was going to teach me some new lessons in regard to installation of oil tanks and reservoirs, but after finding the conditions just stated, I concluded there was not a single improvement I could make, and we are installing now as we did before the fire. This fact shows we are safe in oil burning, and that it can be made safe anywhere. It is a cheap fuel when compared with coal, four barrels of oil equaling the work of one ton of coal. The price of coal is generally $8 to $10 per ton, while four barrels of oil cost about $3.20. We have burned oil for the past fifteen years and not one fire has occurred in that time from its use, nor has it cost you insurance men a single cent in that time. I think you will agree with me that oil may be burned with safety, and that the facts quoted certainly bear me out in my claim.

Concerning gasoline, our laws forbid the use of any product of petroleum below 110 degrees flash test; thus we have no gasoline stoves or lamps, and you never have to pay a loss for these in this city. Sometimes we come across a gasoline stove or lamp brought here by some person from the South, and it is immediately ordered out. Sometimes a polite invitation from the Fire Marshal to come before a police judge and tell him all about it and then turn fifteen or twenty dollars into the city is necessary. If time will permit, I will go further into this subject later on.

Now in regard to that part of Section 4 of the Charter which deals with the investigation of the causes of fires, it is unnecessary to tell you that causes are very numerous, and it is well for the city at large that the causes of all fires are investigated by a public officer. When a fire occurs, it may appear strongly that the cause is incendiary, while a careful investigation may clearly show it to have been of accidental origin. Many times the remark has reached me, while I would be trying to get facts, "this fellow set that fire." I would note that person and shortly after go and tell him I had heard his remark, and try to find out what he knew. The answer generally came, "how else could the fire start?" Going into an investigation further, I would usually find that that was all he knew about it. I would caution him about passing such remarks unless he knew that they were true, and nearly always I found the cause to have been accidental. Thus the investigation by the Fire Marshal at once takes away any stigma that might otherwise, by such remarks being cast broadcast, attach themselves to the owner or occupant. I firmly believe it is as much the duty of a Fire Marshal to protect the good name of any citizen whose place has been burned, if the cause is found to be accidental, as it is to prosecute, if the cause is found to be incendiary. When incendiarism is evident, the Marshal must go upon the trail at once to produce the evidence. In such a case how does the Fire Marshal act? Secretly as far as possible; I cannot go into details as no two cases are alike, and his office being a secret one until such time as he is ready to arrest, you will appreciate the unwisdom and impossibility of details. Generally, however, I take the person upon whom suspicion rests and question him fully, get the motive, if possible, for there must be one, and it must be shown before the courts will permit a conviction. Perhaps it may be necessary to give what the public has so often read about in the daily press as that awful and dreaded "third degree," written up by a certain class of reporters when an official cannot divulge the evidence there is against the person under arrest, but I assure you that this third degree is but a bugaboo. It is merely questions put that will, in the event of his being innocent of the crime of arson, at once clear him of all suspicion. Nearly all cases of arson are dependent on circumstantial evidence for conviction. Rarely does human eye see the preparations for a criminal fire. An alibi is begun months before the event and it is the beginning of a defense in case of discovery or mistake. The so-called third degree questioning in time surely develops the contradictions in answers which prove the crime—in fact, shows that he deliberately planned and set the fire. If innocent the consistency of his answers is usually convincing. Such cases happen often, even where it looks as though he was guilty, and the so-called third degree has cleared him of all

suspicion. On the other hand, however, if it shows that he is responsible for the cause, he is arrested and charged, taken before a magistrate who goes over the evidence and decides if it will warrant holding him to appear before a jury. Then the work of the Fire Marshal comes thick and fast. He must interview all witnesses while the case is fresh in their memory and learn how each bit of evidence will fit so as to complete the chain of circumstances that will show that he and none other could have done the work. A witness often says, "do not subpœna me; all I know is that I saw him the day before." That witness may not know that that fact is a link in the chain—maybe an important one. The question of circumstantial evidence often comes up and is sometimes treated with contempt by attorneys in trying an arson case; but such evidence, in my opinion, is the best and truest. A witness may be mistaken in a person or in time, but circumstances, when put together, cannot lie when they form a complete chain. The Fire Marshal, after charging the person, goes upon the ground, measures every room, every bit of space, every nook and corner, every portion of the building, and from these measurements makes a complete plan of the premises, generally on an inch scale, showing in detail every part of the building; marking where the fire originated and how it burned, and from what room each and every bit of evidence he produced was found. This plan is placed in full view of the jury, and when they look upon it they need but little further argument to show that a crime has been committed. Such method makes it much easier for the jury to understand how the fire was set and in what portion of the building, also showing if more than one attempt was made. I was led to this procedure in prosecuting cases many years ago, when without such a system it was hard for a jury to understand the witnesses or the case. It was hard to show by verbal testimony how the defendant entered this room, or made his exit at at another; or that there was fire in this room and one in another room; but by placing an exact plan which can be explained by the witness as he proceeds with his evidence, the case becomes clear to the jury, and in nine cases out of ten a verdict of guilty is obtained. My method of procuring evidence is fair and impartial. No personal feelings or thought of revenge influence the work. I do not listen to, or use any evidence that shows prejudice or malice on the part of the witness. The law does not require or permit malicious persecution, but simply that those charged shall be brought to the bar of justice for trial. In this city we have been remarkably successful in securing convictions, followed generally by sentences of from twenty to twenty-five years.

I consider the crime of arson worse than murder. A man kills another perhaps in the heat of passion, and there his work is ended. Not so with the incendiary. He sets the fire in the mid-hour of the night, when all are fast asleep. He does not know, nor can he know, after he has set that fire, where it will end. He cares not how many are burned out, losing their all of a life's saving, or a business which may have taken a lifetime to get together, or if the fire menaces the lives of women and children, or of persons who have never wronged or harmed him. And what for? To gain a few dollars from the insurance companies. When I get a man of that kind, can you wonder if I do my duty and give him the best I have in an unprejudiced manner, and present to the jury the full facts of the case? I consider the hunting down of incendiaries a work strongly to be commended. There is no crime more dangerous to a community at large than arson, or one so difficult of detection or conviction. It is a crime which requires deliberation and full intent. It is not one that is committed from sudden passion or impulse, but solely for gain; consequently it is deserving of no mercy. Its potential consequences are so terrible that the most drastic penalty should be meted out, and our Judges have for years shown by their sentences that they fully agree with me. Mercy to an offender of this stripe is the worst kind of injustice to society. I do not deem it advisable to go further into the details of this crime and the work performed to check it. This city sees and feels the result of the work performed, and I sincerely hope the lessons of the past, with the severe sentences secured, will bear fruit in the future, causing those who would resort to such a method of gain to ponder and consider before they act.

I have told you of the principal work of a Fire Marshal, as defined by the Charter, and I will now go into a brief description of other work. There are many laws to enforce for fire prevention, such as, for instance, the testing of illuminating oils, stopping the many explosions of coal-oil lamps so prevalent in the past, but now seldom heard of. To gain this result 300 to 400 electric spark tests are made annually. The garage and dry cleaning laws now make the storage of gasoline and benzine as safe as it is possible to make them. About the only accident that can occur is to the fool who fools around a gasoline can with his cigarette, which no law can guard against. Another good law is the one relating to the handling of fireworks, and there will be no more fires, accidents or deaths in this city from that source. This law was made possible, after many years of agitation, by Mr. Bernard Faymonville, who, during his term of office as Supervisor in this city, secured the passage of that law. It has now been in force since 1907, and since that time there has not been one fire from fireworks.

Previous to its passage we generally had about seventy fires during the period of the Fourth of July. In abolishing the fireworks hazard Mr. Faymonville has earned the lasting gratitude of the people of this city. The laws relating to gasoline engines, rubbish, shavings and litter, gas and electric lights in show windows, ashes, fires in the open, manufacture of matches, lights in hallways and at fire escapes, bonfires, steam boilers, cupola furnaces, and many others, were written by the Fire Marshal, making it easier for him to protect life and property.

One of the most important duties of the Marshal is to prevent fires. That is a great subject and must appeal to you all—make you stand up and take notice. It is now beginning to attract the attention of the whole country, as the Fire Marshals are educating the people to the vast annual fire waste in this country. You gentlemen have much to do in this matter. Do you know how much you pay annually for arson? Stop and consider this question. I think it is a part of your business to know, as you pay the fire losses. You also put a premium on arson in certain cases. You know it, I know it, and the incendiary knows it only too well. You have enemies in your camp. I refer to the agents and brokers who urge clients to take out heavy insurance. I had the pleasure a short time ago of telling a solicitor, when I learned through an investigation of the cause of fire that he induced and coaxed the defendant to overinsure, that I only wished it were possible for me to let the defendant go and try *him* for arson. The man who burns his premises to get the insurance money is the most despicable in the annals of crime. His work is the most difficult to get evidence from, and, as stated, his alibi is planned in advance. He is cunning in his methods, and compared with him the thief or murderer is an angel. But how much worse is the crime when he has a friend and partner in the insurance solicitor?

A case came under my observation last May which convinced me that a solicitor was knowingly overinsuring, and the sworn statements taken at that time proved it. A $1,000 policy on a small stock was followed a few days later by an additional $500 line, when it was known full well that the stock was not worth that much. Then came the fire and the investigation. The claimant said the insurance man told him how much to insure for, and the solicitor, being present, admitted it. I asked him if he had seen the goods which he had insured, and he said no. I then asked him that if the insured had wanted $5,000 would he have given it? He answered yes, that it was customary to do so. The evidence further showed that the solicitor had arranged that, in case of a fire, he was to be notified at once. When the fire did come he was phoned to, arriving about fifteen minutes after it broke out. He immediately went to all the people affected and got them to

give him the powers of attorney to collect from the insurance companies, for which he was to receive ten per cent of all money paid.

Yet this man and others like him go to your offices and ask for so much insurance. You take his word as to the property and the person insured, and issue your policies accordingly, while at the same time he may never have seen the goods, and may know absolutely nothing with regard to the character of his insured. Then later on, when a loss occurs, he puts forward the plea that such a course of procedure is the customary method of getting business. Such abuses can be prevented by yourselves. I honestly believe that a great many fires would not occur if the property was not overinsured. In the prosecution of such cases it delights the attorney for the defense to unearth overinsurance and gives him a beautiful argument to go to the jury with. "Gentlemen of the jury," he says, "the Fire Marshal says the motive is overinsurance. Did the insurance company say he was overinsured before they took his money? No, they did not mention it, but now when the fire comes they say he was overinsured. The real motive, gentlemen of the jury, is, they don't want to pay the defendant the insurance he paid for." This appeal to the sympathy of the jury is the only way he can get a verdict, and while such arguments are going on I always feel the stigma of it, for I know he is hitting an abuse which the insurance companies are responsible for. I have learned, and I hope you will remember it when I tell you, that nothing but overinsurance can make burning to defraud possible. Do your share in this matter, then leave the other causes of fires to be fought out in our Legislatures, and in doing so you will lighten the work of the Fire Marshal and enable him to do more in the way of fire prevention.

Come over to our side for a while and join us in trying to stop this enormous fire waste. Look up the liability you are about to assume before you issue the policy. Look for the broken window in the basement of a warehouse, the rubbish piled up in the corner of the closet or cellar, and the many other cases of carelessness and criminal indifference and faulty construction and then look up the moral hazard. My experience has shown that carelessness is directly, or indirectly, responsible for all fires not caused by the incendiary. One of the first things to be considered is, will the insured make money by his having a fire? That question is answered by the amount of his policy. The insured I often find has actual knowledge of these fire breeders and about the only thing he does is to increase his insurance. This does not apply to all cases, but generally to those who deliberately over-insure. Do the best you can; use your best endeavors to educate the public to clean up and keep clean and to aid in the protection of life and property.

We have now reached a period where the aggregate of wealth in congested cities has become so great that the capital of all your insurance companies, home and foreign, is inadequate to its protection. This makes it necessary that the question of fire waste must be taken up by our State and municipal governments, Boards of Trade, Chambers of Commerce, Merchants' Associations and organizations such as your own. You are more vitally interested in this question than any other. Our fire waste is enormous and is increasing each year. It now reaches more than $250,000,000 annually, resulting mostly from faulty construction, carelessness and the moral hazard. Add then to this annual loss the money paid in taxes for protection. Take this city, for instance; last year it cost $1,561,000 to run our Fire Department. In New York it cost them last year $5,000,000, and I learn that this year they will ask for $11,000,000. This city, however, has not spent one cent for fire prevention. As Underwriters, you do more than the city does. I know you spend thousands annually for prevention in the support of your Inspection Bureau and Fire Patrol; you realize what this fire waste means. Our people are calloused and hardened to fire and its causes. They read in the daily papers of a great fire, either in their own city, or somewhere else, but unless it is accompanied with loss of life, they give it but little thought, caring nothing for the loss, what caused it, or how it could have been prevented. How much longer can this country stand this enormous loss? The question of fire prevention is a most serious one, and is engaging much attention. I hope good will result and good must come if such bodies as yours agitate the question unceasingly, but first look to your own connection with this fire waste and think what you can do to stop it. I sincerely hope you will do your best to aid us.

I could go much further, giving you statistics galore, but doubt if what I have now said will enlighten you more than you already are aware of. I am greatly interested in this matter; it has been a life study and is a most interesting one. When you ponder on the question of fire prevention, you will ask yourselves, as I do, "What have I done, or accomplished?" (Applause.)

The President—Gentlemen, I know we would all have been willing to admit that our Fire Marshal is a very able officer, and now it becomes apparent that he is an excellent writer, as well. I certainly have to thank Mr. Gunn for suggesting his name as a contributor to the proceedings of this meeting. There are many good suggestions in Mr. Towe's paper. One statement

that he made struck me particularly, and that is with reference to the fact that 118 oil tanks which had been installed in various buildings in San Francisco were all found intact upon examination after the conflagration which destroyed our city in 1906, and required no repairing. That seems to be a remarkable statement, and one worthy of consideration so far as the installation of tanks for fuel and heating of buildings, and so forth, is concerned. I notice Mr. Brown here, and as he is an old friend of Fire Marshal Towe, and knows him well, I will ask him to say something upon the subject of his paper.

Mr. Brown—I listened with a great deal of attention and interest to the paper just read, Mr. President, and I can say to you that it is not only an excellent paper, but one thoroughly characteristic of the man. He is quiet and unassuming, but thorough to a degree in all the work he does. There is a statement in his paper with which I do not agree. He says that neither the insurance companies nor the city have spent any money for fire prevention. The reason I do not agree with that is that we have in Charley Towe one of the best fire preventatives that any city could possibly have. I have known him for twenty-five years, and I know that he has been the means of helping the companies in the prevention of fire more than almost anything else that could be imagined. He seems to have an underground method and is so absolutely thorough that there can be no comment upon his thoroughness. He has brought to light many cases which would have resulted in serious fires, if he had not, by that method, discovered them. If I were a guilty man, I would sooner have a bull dog on the seat of my pants than to have Charley Towe after me, for he will watch every movement when he gets there. I think this Association owes him a debt of gratitude for writing a paper at this time. (Applause.)

The President—Has any other gentleman any comment to make upon the paper? If nobody else desires to speak, we will

proceed with the reading of the other papers. The next one on our list is entitled "Underwriting Associations or Bureaus: Their Value," by Mr. A. W. Ross, Secretary Mainland Board of Fire Underwriters, Vancouver, British Columbia. I would state, also, that Mr. Ross is a prominent member of the order of Tillicums.

Underwriting Associations or Bureaus: Their Value.

A. W. Ross,

Secretary Mainland Board of Fire Underwriters, Vancouver, B. C.

The fire insurance business is so interwoven with the general commercial interests of the world, and its indispensability so generally accepted and established, that elucidation of the reasons for its existence is entirely unnecessary; but like all other commercial enterprises, the individual companies naturally possess *common aspirations*, and launching out upon a field of usefulness for the purpose of attaining *success*, the measure and extent of individual prosperity largely depends upon the fairness and soundness of the policy pursued.

The fire waste of this continent especially, has assumed alarming proportions as compared with other European countries, and the extent of relief from an ever increasing experience in this direction will depend upon the exhaustiveness of the system of International Public Education, which we prosecute through our various organizations, and the assistance of the good governments of our countries, and which is embodied in two very ordinary and simple words, viz: first, *prevention;* second, *cure.*

Unfortunately we receive little sympathy or moral support from the great public, although if only from the point of view of fairness alone, we should expect and receive much, for we have ever been lavish contributors to their national and international waste.

Cheap insurance usually means doubtful indemnity, and if the public would interest themselves sufficiently to investigate, they would readily discover that a number of "bargain-counter-public-benefactor" companies are almost daily yielding up their *nothing* in settlement of just claims, and being consigned to the fire insurance bone-yard, there to mingle with the almost numberless gone-befores, leaving their unsophisticated and usually worthy clients and supporters to mourn their loss, and fire insurance history certainly provides little hope for the comfort of the mourners in the resurrection of any of them. The long list of departed ones should alone be a sufficient warning to the insuring public against recklessly placing their business in this manner.

The business of fire insurance is unlike any other; merchants, manufacturers, transportation companies, life insurance companies and almost every other branch of business, can, by absolute rule and easy calculation, determine the cost of production and marketing, and by equally easy figuring can they provide a selling price which will produce a reasonable and absolutely certain profit; but the uncertainty of fire insurance business precludes the possibility of any definite or infallible rule being applied, which can be relied upon to produce a profit, for when a fire insurance policy is issued and premium exacted in proportion to the amount of insurance, neither the company nor the assured know whether a profit will result or a heavy loss be sustained under that policy. The business in consequence is one of average, and although an individual company might be willing to base rates upon its own experience and surround itself with a large business yielding for a time flattering profits to its stockholders or members, yet lurking near is the ever present *law* of *average* to which homage must be paid, and eventually the bright star in the insurance horizon, which displayed much brilliancy and was possibly the envy of many, is suddenly overtaken by that dark cloud of average and obscured from vision.

This is not a pen picture, but is sufficiently proven by the evidence of nearly two thousand companies which have failed in the United States alone during the past twenty-five years.

The aggregate experience of a large number of companies with broad, possibly world-wide operations, is necessary and produces the only reliable average and rates based upon such results, must naturally be more equitable than those figured upon individual experience. The peculiarities incident to the business can be easily demonstrated when it is realized that one company may make a profit upon a certain class of risk, while another will lose heavily upon the same classification; this again evidences the fact that the average experience of all companies affords the fairest criterion upon which to base equitable rates.

While conversing with the manager of a comparatively new British company some time ago, I enquired, "Why are you operating as a non-ariff company in the Old Country?" He promptly replied that their business was first confined to the British Isles, and no ordinary company embarking in business there, could obtain scarcely a foot-hold unless they materially cut the rates, and even then he found it necessary to branch out into other fields (where he proposed to operate under Association rules) in order to obtain a revenue commensurate with the cost of doing business; and by careful management he hoped eventually to establish his

company in such a financial position as would command the consideration and attention of large insurers in England and elsewhere; but he claimed that until that time he would not be justified in associating himself with the tariff associations in the mother country.

In view of the rational loss ratio per capita experienced in European countries, I can appreciate that there is perhaps some excuse or defense to offer in respect to the case just cited; but the principle of disposing of policies of insurance at low rates in order to compete with larger, more powerful and experienced adversaries is attendant with grave danger; and yet in this country where the loss ratio per capita is over ten times greater than that of Europe, we find many pursuing the same course, for the reason that they cannot sell their policies otherwise, and the day of adversity sooner or later overtaking them, their income account is found insufficient to meet normal losses, to say nothing of making provision for the inevitable conflagration, which unfortunately is too frequently experienced, obliterating in a few hours the surplus accumulated by the companies during a long term of fortunate years.

Gentlemen, these possibilities are present to a greater or less degree in every city and town on the continent of America, and the precariousness of the business we are engaged in is alarmingly demonstrated and impressed upon us by a tour of inspection in many of our larger cities and towns. In order therefore to overcome the possibilities presented by these conflagration breeders, we must by individual and combined effort assist in educating the public as well as the civic and other governments of our countries to the existence of these conditions, and the almost criminal danger to life and property created thereby.

Assuming that I have already successfully demonstrated that the aggregate experience of a great number of companies is the most equitable basis upon which to establish fire insurance rates, I have thereby done much in support of underwriting associations and rating bureaus, and let me here state publicly that in the operations of this great work we have nothing to conceal from the insuring public. On the contrary, every man or woman interested is cordially invited and even urged to visit the association or rating bureau offices to ascertain and consult upon the manner in which their rates are formulated. This alone should remove the stigma of combine or trust which is often directed towards the tariff companies and association work in general. The establishment of these offices is not for the purpose of making excessive rates and exacting other exorbitant demands, as the agitator or our opponents would have the insuring public believe; on the contrary, the operations of this and other similar insurance

organizations has done more than all other sources combined to disseminate (free of cost to the public) such *prevention* and *cure* information as will ultimately prove its worth and command the attention and respect of the world, even though experiencing the most stubborn resistance of many who should be our warmest friends and co-workers.

I will not weary you with a resume of the work done in our departments, for this is familiar to you all; but after an experience of over twenty years in local agency and board work, I am convinced that in the association or bureau system for promulgating rates, inspections of risks, examination of contracts and rates, advice upon construction of new plants and buildings and improvments to old ones, consultation and advice upon installation of water works, protective systems and equipments, improvements to existing systems and betterment of fire hazards generally; all of which is calculated to reduce the hazards and thereby correspondingly affect insurance rates, the companies, members thereof, have devised and adopted the most *equitable*, *efficient* and *economical* means possible for the control and operation of this branch of their business.

This system is *equitable*, because rates are based upon the aggregate experience of a number of companies whose operations are broad and varied, and also because inspections and rates are made from personal observation, without bias, consistent one with the other, and by experts thoroughly familiar with the work.

Our association system is *efficient*, because our experts are constantly and studiously engaged in familiarizing themselves with the work locally and universally, the cause and effect of fires, precautions against their recurrence, defects and improvements in construction of plants, buildings, water works, protective systems, fire departments, their organization and equipment, reductions of conflagration and individual hazards and imparting to the insuring public the information acquired, gratuituously and courteously, pointing out at the same time to interested parties why individual rates or that of a city are so issued, and suggesting certain improvements which when complied with, will reduce the rate or rates to correspond with the improvements undertaken. Local conditions and records in the field are likewise entirely familiar to the staff, and by close application to the work and frequent contact with the assured, the educational features of reform and knowledge possessed are impressed upon our clients, resulting in establishing greater confidence and respect, a condition which I am very pleased to say is daily more and more evidenced by the increasing number of consultations had in our offices with both large and small insurers, and also because all policies are written uniformly and concurrently.

Our present system is *economical* because without such organizations as this, each company would be obliged to employ its own corpse of highly paid experts for the inspection and rating of every risk, and to maintain offices with assistants at convenient points. This in addition to traveling and maintenance expenses, would alarmingly increase the cost, with no corresponding benefits or advantages to the companies, and certainly none to the insured; for everything which enhances the cost of securing business must necessarily be borne by the property owner. These facts established, it is obvious that the companies and the insured are relatively benefitted by joint rating and inspection organizations.

I observe a rapid annual decrease in the average rate percent of premiums charged. In Canada, in the year 1908, the average rate was 1.50; in in 1909, 1.41; in 1910, 1.36; while in the United States very similar rate conditions obtain. This would not be alarming if the experience of companies indicated that fire losses were on the decline, or if the construction and improved conditions in our cities, towns, and large manufacturing industries had reached such an acceptable position as would warrant the same; but when we find that this is not the case, there is indeed grave cause for apprehension lest we hew beyond the line. Reduction in rates is easy and insurance men are lionized as a result, but increases are always difficult to effect, even when experience has proven the inadequacy of former rates.

There is much that I would like to say about fire insurance work; but to touch upon other interesting features without elaborating upon the same to some extent, would not only be an injustice to your kindly patience and consideration, but likewise to the subjects in question; and, therefore, in deference to all, I will cancel this policy of attempted oratory and offer a return premium of grateful thanks for the privilege and honor accorded me on this occasion. (Applause.)

The President—You will note, gentlemen, that Mr. Ross in conclusion states that he will cancel his policy of attempted oratory at short rates. If he must cancel at all, we could surely only permit him to cancel "pro rata." In fact, I think it should run the full term, thereby giving us more of it. His paper is an excellent one, and should not pass without comment. I see Mr. Thornton present, and I know he is always in line in board matters, so I will ask him if he will speak on the subject.

Mr. A. W. Thornton—I believe this is the first time we have had with us a representative of a board from beyond the confines of our own country, and we are to be highly congratulated upon securing the services of Mr. Ross in preparing a paper for our Association. There are some good things that come from Canada, and Ross is one of them. He is peculiarly well fitted to write and read just such a paper. Those of us who are familiar with the situation in British Columbia know that there was a government investigating committee appointed about a year or so ago, to ascertain whether or not the insurance business was conducted as a trust on that side of the line, and that on Mr. Ross's shoulders fell the burden of proving that the bureau he was conducting, and in fact all bureaus of like nature, were beneficial, not only to the companies, but to the people for whom the rates were made. The result was that British Columbia has secured legislation, not such as we are accustomed to on this side of the line, but highly beneficial and in no sense antagonistic to the companies.

We are certainly indebted to Mr. Ross for the manner in which he has handled his subject. (Applause.)

The President—Has any other member any remarks to make or suggestions to offer in connection with the subject of Mr. Ross's paper ?

Mr. Brown—Mr. President, I have no desire to discuss Mr. Ross's paper, but, after listening to the excellent manner in which he presented the subject, I think it would be of interest to him to know that his ideas have recently been fully borne out by the attorney general of the State of Maryland. An attempt was recently made to dissolve the rate-making board in the city of Baltimore, on the ground that it was in restraint of trade, and the attorney-general, in a letter to the governor, held that it was to the contrary. After going through the subject in all its details, he said that he was satisfied that a board so conducted was conducive to the interests of the insuring public, and that a dissolu-

tion of that board and the consequent rate war would be detrimental to the interests of the insuring public as well as to the companies. It was an excellent argument, and followed very closely to the lines laid down by Mr. Ross. (Applause.)

The President—The next paper upon our program is entitled "Fire Waste—A Personal Responsibility," written by Mr. E. C. Morgan, special agent of the Providence-Washington Insurance Company. Mr. Morgan requests me to state that he was not with the Tillicums last night. (Laughter.)

Mr. Morgan—My loss, Mr. President.

Fire Waste—A Personal Responsibility.

E. C. Morgan,

Special Agent Providence-Washington Ins. Co

That the present fire waste in the United States should be termed a national calamity, will be conceded by all who have given the matter serious consideration. This enormous property loss, which during the year of 1910, amounted to more than $234,000,000, exceeded the total cost of our army and navy for that year; in two years would build the Panama Canal, and in four years would wipe out the total interest-bearing debt of the nation. In this country we maintain a general average of four and a half fires per thousand persons. The per capita loss by flames in Italy is twelve cents yearly, in Germany forty-nine cents, in thirty of the largest European cities sixty-one cents; and in two hundred and fifty-two American cities the per capita destruction averages three dollars and ten cents. Boston, in many respects the most scientifically administered and municipally progressive city in this country, has a yearly bill of a million and a half dollars from loss by burning. The European city of equal size gets along with one-tenth of that sacrifice. Our debit side of the fire ledger sums up a heavier total than the combined losses of any other six civilized nations in the world.

That great progress has been made toward the betterment of conditions cannot be denied. Our modern methods of construction coupled with the present knowledge of fire-proofing and fire resisting materials, public and private systems of fire protection, improved fire fighting apparatus, all have apparently kept pace with the times and all are important steps in

the right direction; yet in spite of all these the problem is still unsolved, the annual toll of this destructive element is unabated.

The subject of fire waste and ways and means for its reduction, is admittedly the most important one that associations of this kind are called upon to discuss. Wherever underwriters assemble this question is paramount and valuable ideas and suggestions are brought forth. Unfortunately, for the cause we represent, these lessons fail, generally speaking, to make a lasting impression on our minds. We return to our various stations enlightened and enthused by the wise doctrines to which we have listened; also willing, if any work is to be done along the lines suggested, to "Let George do it."

That the country is awakening to a realization of the importance of fire prevention is a source of great satisfaction. This movement is rapidly gaining in popularity. The splendid work that is being accomplished by the National Fire Protection Association is familiar to all. We were favored at our last annual meeting with an able address by President W. H. Merrill, in which he outlined the work of the Association and in which he earnestly solicited the co-operation of this and all other similar organizations. No more important work could be accomplished at a meeting of this character than to formulate some practical plan for furthering the fire prevention idea. It is the writer's opinion that good results would follow organization and co-operation for this purpose, and it seems but natural that a movement of this sort should be led by the Fire Underwriters, whose interests in the matter are second to none. Personal responsibility for fire losses should be the slogan and the sympathy and assistance of all good citizens could be enlisted if the proper methods were pursued.

A FIRE PROTECTION LEAGUE.

An organization of this character could be formed with a branch in every city, town, and village of any importance. Every man, woman and child would be eligible to membership who was interested in the movement and who would accept the constitution of the organization and pledge themselves to certain rules and regulations. The work of such a league would be far-reaching and its duties would be manifold. Through its channels many of the valuable ideas that have been advanced at various meetings of fire underwriters associations could be put to practical use, and important information that has been published by the National Fire Protection Association would be available for the education of its members.

No attempt will be made in this brief article to outline a complete working plan for an organization of this kind. Reference will be made to only a few of the ideas suggesting themselves in connection therewith.

AN ACTIVE INTEREST IN POLITICS ESSENTIAL.

It is a lamentable fact that too few of our best citizens take an active interest in political questions affecting the government of our towns and cities. Here is an important matter for our consideration. That the best of results may be obtained, from our standpoint, adequate ordinances should be compiled and adopted, covering all points relative to the construction of buildings, inspection of wiring, handling and storage of explosives, the elimination of rubbish and all other questions that so vitally interest us; and having secured the adoption of these ordinances, we should see that officers are elected or appointed who will rigidly enforce them without fear or favor.

THE ESTABLISHMENT OF A PATROL.

Having secured the adoption of desirable ordinances and the installation of officers competent to enforce them, the next step should be a complete supervision or patrol of the territory within the jurisdiction of the league. For this purpose the field could be divided into districts, each district to consist of a certain number of towns and to be placed in charge of a special agent who regularly visits that portion of the territory. The special would make a detailed report to the league of towns in his district when on regular trips only. Specially prepared blanks would be furnished and these reports would be on file at some convenient place, accessible to members of the league and to the fire underwriters as well. It is safe to predict that no manager would object to his special devoting a little time to this work. Assisted by the Fire Marshal, who in the majority of cases would be the fire chief, a thorough inspection of the town would be made. Bad hazards would be noted, careless property owners admonished and general conditions as to cleanliness observed. Hydrants would be tested, apparatus inspected and substantial improvements suggested. Due notice having been given the citizens by the resident members of the league that an official inspection would take place on a certain date, a general "house-cleaning" would occur; and it is but reasonable to presume that within a short time the various towns would vie with each other in being properly prepared for the inspector's visit.

PUBLICITY.

The great majority of progressive, intelligent and successful business men are of the opinion that it pays to advertise. This branch of the subject under discussion offers a field unlimited in extent and prolific in its possibilities. Under this heading we could pursue no wiser course than to follow the example so ably set by the National Fire Protection Association.

The distribution of attractive and interesting literature relating to fire protection and fire prevention, the publication of bright and intelligent articles on the subject in popular periodicals; public lectures and discussions in the various towns and cities under the auspices of the League; these and many other ideas suggesting themselves along similar lines would materially assist in educating the public to the vital importance of the fire prevention idea, and to a realization of personal responsibility for the present abnormal losses by fire.

History records no example of important reforms unaided by strenuous effort, patience and persistence on the part of the reformers. The problem before us is no exception. The elimination of fire waste must necessarily be gradual and the progress of the movement is beset with many difficulties. The masses must be taught and the masses do not take kindly to education. Hopeful signs, however, can be seen on every hand. The fight is well under way and all returns are encouraging. Our cause is just, and therefore, must prevail.

None of us who offer contributions to meetings of this kind expect that our ideas or suggestions will be accepted as a whole, or that all of our opinions will be considered of value. We are all hopeful, however, that our efforts will not be wholly in vain, but that some thought advanced may prove of interest to the cause which we represent, and will be like the proverbial seed that fell upon good ground and brought forth fruit, some twenty, some sixty and some an hundred fold.

I thank you, gentlemen. (Applause.)

The President — We have listened to another good paper, and I desire to say I consider the suggestions offered by Mr. Morgan in his paper most excellent. Personally, I am very glad he touched on the point of responsibility. This is the rule that is in effect throughout Europe, and in my opinion is the one that has been productive of the extremely low loss ratio that has resulted throughout all of Europe for so many years. I think Mr. Morgan's paper should be discussed, and, seeing Mr. Sexton here, and Mr. Morgan having referred to some things that I know Mr. Sexton has always discussed, I would like to ask Mr. Sexton if he desires to add to the subject?

Mr. Sexton — Mr. Chairman, I have always been a reformer. But before I can remember, and that is a long ways back, I read

this in some book, I think, or heard it from some story teller, that the animals or the fishes had planned to destroy the crocodiles. This was before the days of fire underwriting. There were various plans proposed, but one little squeaky animal in the company said, "Let us nip them in the bud. Let us destroy the egg." And that little animal has been destroying crocodile eggs, and that means the stock, ever since.

The reformers too often begin at the top. I heard a story not long since, of a man who said there was no trouble to put up a chimney; all you had to do was to put up the top brick first, and then put the others underneath. There is great need of reform in regard to this subject of fire waste. But let us start in with ourselves and reform ourselves first. The man who reforms himself does more than would be done by the one whom he desires to reform. If we will reform the local agent to start with, and get him to write not to exceed 60 or 70 percent of values, get him to look at the stove pipe, get him to instruct the claimant, the insured, what he shall do, or he can't have this insurance, that is an important step. Then, if the special will follow that up by inspecting that risk, showing the local what should be done, showing the insured what he must do; then follow it right up the line to the manager, who should insist upon having those things done, and pay a little more attention to quality than to quantity of business written, the loss ratio would be reduced very much. So far as laws and legislatures are concerned, it is very difficult to attain what we desire. We could re-construct the locals and the specials, and ourselves; but when we try to re-construct the legislator, we strike a snag. He knows what his people want — they want valued policies, they want to treat a policy as many of our higher courts look at it, as a one hundred to one shot on a horse race. That is about the meaning of the decisions we get. We may re-construct them after a while, but if we will start in at the bottom and use more care in insuring and taking risks, we will do a great deal towards reducing fire

waste that we talk so much about. In other countries, in Mexico, almost right at home here—the rates are only about half what they are here; but when a man has a loss there, he is placed incommunicado, cannot be seen until the loss is investigated. When a man has a loss here, the insurance company is placed incommunicado until the loss is paid. If you start in at the bottom and work upwards, you at least make more money than we do now, and we would have a better name, and we might get some legislatures and some courts our way. The paper is an excellent one. There is nothing else I can recommend at present. (Applause.)

Mr. Staniford — Early yesterday morning, Mr. President, we had a publicity committee. It is not quite clear to my mind whether we have it now, or not. Was that committee discharged, or what happened ?

The President — It was not discharged, to my knowledge.

Mr. Staniford — If it is still in existence, I would like to make a motion, that this paper, together with the excellent paper of Mr. Dunn, read yesterday, suggesting the idea of a fire prevention day, be referred to this publicity committee, and let them consider the suggestions made in those two papers, and see if something cannot be brought out of them. Mr. Dunn's paper suggests some ideas on having a fire prevention day for California, and that paper, coupled with this most excellent one from Mr. Morgan, presents the subject in such a light that it seems to me something might be brought out of some of the ideas contained in the two papers that would be of value. I make that as a motion, Mr. President.

The motion was duly seconded.

The President—As I understand, Mr. Staniford, you desire Mr. Morgan's paper and Mr. Dunn's paper referred to the publicity committee for action?

Mr. Staniford—For action, as it is along publicity lines, yes.

The President—We had a letter from the chairman of the publicity committee yesterday, and while he states that he regrets that nothing has been accomplished during the year, he goes on to say that conditions have been particularly unfavorable for any aggressive campaign along lines of publicity under the auspices of the Association. I don't think that will militate against any action we desire to take in respect to these two papers.

The motion was put and unanimously carried.

The President—The last of the papers on our program, and I want to say to you it is a very good one, has been prepared by Mr. Clarence E. Allan, one of the young adjusters of the city of San Francisco. Mr. Allan is here, and I will ask him to read his paper, which is entitled: "The effect of Fire, Water, and Smoke on a Dry Goods Stock." (Applause.)

The Effect of Fire, Water and Smoke, On a Dry Goods Stock.

Clarence Elton Allan,

Adjuster.

The purpose of this paper is to describe the conditions, that would probably exist in a dry goods store after a fire, which had caused a partial loss; and to discuss the effect of fire, water and smoke, upon the different classes of stock.

No two fires are alike in their effect, and in order to make the discussion complete, it will be assumed that all departments have suffered some damage. This store we will consider as located, in a town of from ten to twenty thousand population, situated at some distance from a large city, and containing stock of approximately fifty thousand dollars; consisting of the classes of goods and their relative values, which are shown in the list.

You will understand, that the values that I have quoted, are not necessarily those which would be found in every store containing a stock of this nature, although I think that the relative values given, are approx-

imately correct. Various conditions, such as accessibility to trade centers, class of people, or season of the year, would materially change the amount of stock on hand, in certain departments.

Silks,	$3,500
Woolen Dress Goods,	2,500
Wash Goods,	2,000
Table Linens, Towels and Domestics,	2,500
House Furnishings,	2,500
Ladies Neckwear and Veiling,	800
Laces and Trimmings,	3,500
Gloves,	1,200
Handkerchiefs,	600
Notions,	500
Embroideries,	1,500
Ladies Hosiery and Underwear,	2,500
Muslin Underwear and Infants' Goods,	2,000
Corsets,	700
Knit Goods and Yarns,	400
Ribbons,	1,000
Art Goods and Embroidery Silk,	1,500
Millinery,	4,000
Paper Patterns,	800
Ready-to-wear Goods,	9,500
Men's Furnishings,	6,500

The statements made and opinions expressed regarding damage are not final; but are presented for the purpose of inviting discussion. The subject under consideration is by no means exhausted; but it would be impossible to review every department fully, in the time allowed for a paper of this kind.

It must be understood, that in speaking of water damage, only that damage caused by clean water is considered.

SILKS.

The damage in this department is greatly feared by the merchant, and must be very closely watched by the adjuster. In proportion to the space it occupies, the value is greater than in any other department in the store; and a very small percentage of loss here, would mean a very much larger loss in money, than where the value is not so condensed. The poorer the quality of silk the greater the damage; in fact, if the silks were pure, the damage would be very slight, except in the fancy shades, which would

streak or spot. A cheap taffeta or surah is about ninety-five percent cotton, and every color will run, if wet. Silks should be given immediate attention by the adjuster, as the damage accrues very rapidly. The colors running in some of the silk will almost invariably spread to other parts of the stock, and discolor the best grades, which might not otherwise be affected. There is another class of damage caused by the manner in which the stock is kept. With few exceptions, silks are single width and are folded either in yard, meter, or yard and a quarter lengths, covered on the outside with a light weight and pliable pasteboard. It is impossible to keep handling these goods without tearing the covering, and as the tear usually occurs at the double edge, the center of the silk is affected. Dyes running from water damage, would very quickly permeate a whole piece of silk and completely ruin it; especially is this true in the thinner or lighter grades, as the damage in this case being cross-wise of the goods would show in every yard. To get rid of the stain, it would be necessary to cut out a piece in every fold. To prevent some of this unnecessary damage, the insured should immediately examine very carefully every piece of silk and cut off the affected lengths before the damage has a chance to spread.

In goods which are rolled, such as linings or dress goods, the damage even on the double fold, is not nearly so great as in the silks, because by cutting off the double edge, which is lengthwise of the goods, you have two pieces of perfect goods nearly half the width of the original. This statement is not quite as good as it sounds, for the reason that the minute you cut the width of the material you put a limit on its utility. The narrower the raw material the more seams are necessary in the manufactured article; and a great many manufactured articles will not allow joining. Nevertheless the value of this half width material would be much greater than the yard or yard and a quarter length in the folded goods. The smallest loss in this department, unless increased by damage communicated from other silks, will be in the gros grains, wash and summer silks, as these can all be washed. The damage to velvets, velveteens and corduroys is governed by the quality. Velveteens being cotton, the color will run and the pile will be flattened beyond restoration. The silk velvets with cotton backs are affected very much in the same manner; even a few drops of water seeming to spot them badly. I do not think a stock of this size would possess much silk velvet; but, contrary to general opinion, it would not be affected to any great extent by water. If you were to soak a piece of silk velvet in water, you could take it out, shake it thoroughly and dry it, and it would not show any ill affect. The common method used by milliners to freshen silk velvet,

is to hold it over steam. The cheaper grades of corduroy are filled with a glue preparation, and these water will, in small quantities spot, and in large quantities take all the body out. The best grades of corduroy are almost undamageable by water.

LADIES NECKWEAR.

This department comprises all classes of neckwear from the small turn-over collar, to the high priced neck ruches; and usually includes the veilings. Neckwear is made of various materials, nearly always of a perishable nature; malines, chiffons, silks, laces and ribbons, being some of the fabrics used. Malines and chiffons are a total loss if wet. Tailor made and hand embroidered neck pieces are not subject to very much loss, as they can be reconditioned. Other neckwear under the best conditions is very susceptible to damage, although one thing in its favor is, that it is usually kept in glass cases.

LACES AND TRIMMINGS.

This is a department where the value is great; but if the stock is kept in wooden boxes, the loss will be comparatively slight. Gold and silver are commonly used in the trimmings and should be handled at once, if tarnish is to be forestalled. What are known as gold and silver cloths are very expensive and should be looked for and dried quickly, as they will become a total loss if allowed to tarnish. Any silver or gilt trimming will tarnish from age, if kept in stock for a long time. The tarnish from age is usually general, while tarnish from water will show in either spots or streaks. Mohair braids or trimmings will damage little, if any, from water, except in the bright colors which may run. Water will draw a great many of these trimmings out of shape, as they are frequently made of various combinations of wool, cotton, silk and mohair, and the effect of water is different on each material. When wet, one material will shrink or stretch away from the other and draw the trimming out of shape. The damage to a trimming lace is much greater than to an ordinary wash lace. The actual damage is not greater, but the utility is impaired in the former instance and not in the latter. A wash lace is nearly always put on a garment that will be washed, before it is used; while a trimming lace is puton a garment not intended to be washed; or if washing is necessary the lace will be taken off, washed, and put on again. Very few laces look as well after washing as before, and washing naturally shortens the life of any material. Laces with any dressing or filling are seriously affected by water. Water will absolutely ruin any laces made of fibre. Irish crochet and cluny laces are damaged very little, if any, by water. Point laces are

of a peculiar shade, and if washed would probably lose, to a certain extent, that very important characteristic.

CORSETS.

The corset department should be one of the first to be examined. Corsets are always kept in individual card board boxes, and for this reason smoke or heat will probably not reach them, but the damage from water is most to be feared. The frames of the corsets are either whale bone or steel, and are covered with various materials, such as twills, batistes, or brocades. The poorer grades of corsets have steel frames, which will rust, and rot the covering, if left for any time. The better grades are whale bone, but there always is at least one steel in the front. Nearly all the French corsets are brocaded, or have light flowered patterns, and water will spoil the appearance of these. Rust will keep working its way through to the surface, and when the corset is worn will spoil other garments. In the better grade of corsets the steel is better protected than in the cheaper grades, and, therefore, is less liable to damage. Corsets are harder to sell when damaged or stained than most merchandise, although unlike some wearing apparel, the higher priced damaged ones could be sold, if priced low enough, to a person who could not afford the high prices. If so bought the purchaser would probobly take out the steel, wash the corset, dry thoroughly, and put in a new steel. Practically all of the possible damage could be avoided if the stock were handled quickly. The corset should be removed from the boxes and paper and hung on lines to dry. This method of procedure might be objected to by the merchant, for the reason that it is usually hard to identify merchandise if once removed from the wrappings; and in the case of pair goods there is always the danger of unmating. This objection does not hold good in this case, as corsets have the pattern or style number, and the size stamped on each pair, so can, when thoroughly dried, be replaced in the dried boxes or in new ones secured for the purpose.

HANDKERCHIEFS.

The actual damage possible for handkerchiefs to sustain is very light, but the stability is affected. In some materials it is better to sell the article "as is" after a fire, and in some cases it is advisable to recondition. The question as to where to do one, and where the other, is always a problem. As an illustration, a handkerchief that sells for twenty-five cents, if smoke-stained, or wet, would probably sell "as is" for ten, or twelve and one-half cents. If the same handkerchief were laundered, at a cost of two and a half cents, it probably would not sell for more than fifteen cents. There-

fore, it would be advisable to sell "as is," instead of laundering. In the better grade of handkerchiefs, the expenditure for laundry would probably be advisable. Another thing to be remembered is that in selling an article "as is" the purchaser takes the chance; while in conditioning it, the merchant takes the chance; and unless the possible gain is considerable, it would not pay him to do so. Again, any article as sheer as a handkerchief, if badly smoke-stained, might not be entirely free from stain after one washing; therefore, it would be harder to dispose of than if it had not been washed at all. The prospective purchaser would see that it had been laundered, and would naturally presume the stain to be permanent.

NOTIONS.

These are made up of a great many small articles, no one of which is of any great value, but in the aggregate they run into money. In this department a person could find a small sample of almost every class of damage possible in a dry goods store. All the up-to-date stores have a notion case commonly called "the silent salesman," which is about the size and shape of the ordinary floor case. It is composed of about sixty drawers of graduated size, so arranged that every article can be seen. This case will keep out water and smoke, but if subjected to much heat, it will sweat and rust anything with metal on it, and most of the notions have some metal parts. Very little can be done here to prevent damage, and nearly all the articles are so small, that the possible salvage would not pay for the time and labor in saving. It would be advisable, perhaps, to open the case in the hope of preventing the steam from generating.

MILLINERY

can be broadly classed under three different headings: (1) Staples, such as velvets, velveteens, silks, laces, trimmings, ribbons, wires and buckrum. (2) Plumes. (3) Fancies, consisting of flowers, feathers, birds, malins, chiffons and ornaments.

The staples have been passed on before in their respective departments. The only difference here is that the staples are more than likely to be in fancy colors and are therefore subject to greater damage. In the fancy section the loss is very excessive. Flowers are nearly always wired together, and even when this wire is covered the water will reach it at the joint, and in a short space of time the wire will corrode, and the flower will separate from the stem. In nearly every style of fancy the joining is done either by wire or glue, and when the wire is affected, as above stated, the glued fancies will all fall apart, water seeming to kill all the virtue in the glue. Wings and birds are sometimes put together by the same method

and the same damage results. Feathers will, if wet, stick together in little bunches. They will never, even after drying, look the same, and are decidedly unsalable. Plumes are the best of the articles that are not, strictly speaking, staples. French plumes, even after they have been thoroughly drenched with water, can be dried and recurled and will look very well. The willow plume, which is the most popular today, is made up with the French plume as a foundation, and other French plumes are cut up and each little flue or fibre is tied either with a double or single knot to each separate flue of the foundation plume. This procedure is sometimes followed three or four times, thus making the plume very long and expensive. The damage to willow plumes is very great, as they cannot be recurled owing to the knots. Only the tip is curled, but water will loosen the knots causing the plume when handled to fall apart. The cost of new French plumes to restore the willow plume to its original condition, would be as much as its whole original value.

Malins and chiffons are absolutely of no value if they are once badly wet, even though the colors are fast. A starchy substance is used to give them a certain body and sheen. But as soon as moisture touches them the life immediately leaves them. The buckles and ornaments are subject to different degrees of damage. They are made of cut steel, glass, aluminum, celluloid, rubber, and bone. The glass will not damage unless the fire actually touches it; celluloid will ignite if exposed to very little heat. The rubber ornaments are made of some substance in conjunction with rubber, and it does not take much heat to melt them. I have seen numbers of such ornaments melted and running, when they have been stored in drawers of which the outside paint had not even blistered. Untrimmed hats or shapes are made of various materials, such as felt, velvet, or straw. Felt will spot from water worse than any other material, and the cheaper the felt the more susceptible it is to damage.

The principal damage to the untrimmed velvet hat is in the lining, which is usually of buckrum. This buckrum, when exposed to dampness, will shrink away from the velvet, and even if the velvet is not affected, will cause serious damage, as the value of an untrimmed velvet hat is usually more than fifty per cent labor. In straw shapes the damage is regulated by the grade of material. Straws of poor grades are filled with glue dressing and water will take all the shape out of them. The better grades of straw keep their shape very well, and will reblock. The Panama straw will not be damaged by water at all. The method used to clean them is usually soap and water and a scrubbing brush. To reblock a Panama straw it is steamed or soaked in water and then put on a block and reshaped. Generally the only chance for salvage to be realized on a trimmed hat is the

possibility of some part of the trimming being utilized. It is harder to dispose of damaged millinery then any other stock.

RIBBONS.

The manner and position in stock will govern the damage here to a large extent. All the wider widths of ribbon are rolled in ten yard lengths, on a paste board center, or hub, in paper which is made expressly for the purpose to protect them from dust and dirt. The paper is always about an inch wider than the ribbon and is rolled so as to leave nothing but a half a yard of ribbon exposed. When kept in glass wall or show cases the damage is quite light. The bolts of ribbon are sometimes stood on end, on top of each other, and sometimes laid sideways on long racks. The bolts on end are subject to much greater damage than those that are laid sideways, as the water dropping on them will go through the whole bolt of ribbon by way of the open edge, and streak the whole piece. While in those that are laid sideways, it cannot penetrate further than the outside yard or two unless left to soak in. The ribbons so kept must be handled quickly as the paper used is porous and will absorb water. The smoke damage is sure to be light as the smoke cannot come in contact with any great amount of ribbon, due to the protecting paper. All the narrow widths of ribbon and also the velvet ribbon are kept in boxes. The velvet ribbons must be kept away from water which affects them the same as it does the material. In some ribbon departments fancy bows and novelties of all description for woman's wear are made up and kept on display. These novelties are generally made of the most delicate shades and colors and are very perishable, and the chance of damage is very great. The natural damage resulting from shop wear, dust and fading must be eliminated before the fire damage is estimated.

GLOVES

are very susceptible to damage. Ordinary work gloves are damaged less than any other, due to the method in which the skin is tanned. They are made of various skins such as calf, hog skin, horse hide, or dog skin, which are all oiled and tanned. Smoke or water will have little if any effect on them. The principal damage will arise from the clasps or fastenings rusting, and rotting the leather immediately around them.

Dress and walking gloves are of a different finish and are powdered. These will spot readily from water and will mildew. Intense heat will draw up powdered gloves even when fire does not actually touch them. The undressed and mocha gloves will stiffen up and become very hard when wet, and the danger from the rusted clasp is the same here as in the

working glove. If a glove is damaged it is very hard to sell. Unless a glove was of the proper color or weight to be sold as a working glove, it would be useless. The opera lengths and shades are worthless if stained. Silk and lisle gloves are not materially damaged and will readily sell at a reduced price. Kid gloves will often mildew or rot if kept in stock too long, and claim for this class of damage must be guarded against. The saving feature of a glove stock is that it is usually kept in heavy stock boxes and thus in a small fire it is hard for smoke or water to reach them. It is very important that gloves be cared for quickly as the value for the size of stock is greater in this department than any other in the store.

GENTS FURNISHINGS.

This department is made up of all classes of goods that are used by men. Hosiery and underwear in the men's goods will damage about the same as in the woman's, but are more easily disposed of. Shop wear must be watched for here, and particularly so in a certain class of underwear which comes in shades of brown, blue and pink, as this invariably fades from being exposed to the light. One feature of the men's department is that women quite frequently do the shopping, and the fact that a garment is damaged will not in many cases deter them from purchasing it if only it be reduced in price. Men's laundry goods, such as shirts, collars and cuffs when damaged will always sell at a fair price, and in the work shirts the damage is very light. The damage to a man's glove is not as great as to a lady's for it is heavy enough to be used in lieu of a work glove. Derby or stiff hats are almost worthless if badly wet or smoke stained, but the damage to fedoras, cloth and soft hats, is much less since they are more easily reconditioned. Work goods of all kinds, trousers, shirts, jumpers, overalls, and gloves are all damaged to a less extent than dress garments.

A ten per cent in a work garment might easily be a fifty per cent damage in a dress garment. The work trousers, overalls and jumpers as a rule have metal buttons, and unless these are cared for, will rust and rot the cloth next to the button, thus materially damaging the garment. Suspenders, arm bands, garters, and any article with rubber in it will be badly damaged as either extreme heat or water will take the life out of rubber. Cheap jewelry and collar and cuff buttons, are mostly of metal and will tarnish. The colors in fancy neckwear will probably run, but the plain colors are better except that men's ties are frequently filled or padded with a wadding which if wet renders the neckwear useless.

EMBROIDERIES.

There is a great deal of value in this department, and it is all staple white goods, with a possible exception of a few colored edges and feather

stitched braids, which have colors in them. These colors are all supposed to be fast, but there is a peculiarity about colors running. Plenty of the so-called wash colors will wash, and the colors will not run; but if the same goods were wet or left in wet boxes, the color would spread and stain the whole piece. The reason for this is, that in washing colored materials, care is taken to thoroughly rinse the article, so that the color that might come out, does not get a chance to settle on the material and stain it. After it is rinsed, it must be dried quickly so that the color of the pattern will not spread in the wet material. Quite often embroideries are found that have a brownish cast, which is often attributed to water or smoke stain. Embroideries will turn that color from age. If the color is caused by water, it will always leave an uneven stain, while if from age, the color will be uniform. Any material that has been wet must be thoroughly dried before an effort is made to sell it. If this is not done, there is always the danger of mildew. With any white material, a merchant is likely to think that, as the goods are intended to wash, water will not injure them to any extent. I believe this is the reason why there is often so much subsequent damage from mildew in white goods. In other classes of goods, where other results are expected, care is taken to thoroughly dry the material. While in white material, where no damage is anticipated, no precaution is taken.

LADIES HOSIERY AND UNDERWEAR.

In this department, the stock is usually kept in the original carton. They are frequently of a bright color, either red or green, and water will cause this color to run and stain the merchandise, resulting in an extensive damage. Except for this, the loss will be light. Woolen underwear is always subject to shrinkage and the light colors will show stain. Extreme heat will draw up the material, and smoke will streak or stain it. A stain to woolens is always worse than to cottons. A common method for taking out stains is to boil the article; but woolens should not be boiled, as they would shrink too much, and the vitality would be taken out of the fabric. If this stock were kept in boxes made for the purpose, which are usually of a heavy card board, or wood, the damage would be very light, as the water would not be likely to reach the stock. If it did, it would not discolor it, and the damage would only be the slight cost of time and labor in drying. These boxes are also a very effective stop to both heat and smoke.

MUSLIN UNDERWEAR AND INFANTS' GOODS.

These are usually kept in glass wall cases and are therefore not so liable to damage; although some parts of the stock are frequently found in

pasteboard boxes, often on the floor under the counters. These should be moved off the floor at once and the garments dried out. Water will leave a stain which should wash out in any white goods the first time they are laundered, but which will affect the selling value. If smoke stains a sheer material, and this department is nearly all sheer material, the stain usually goes through to the other side, when radical measures are required to remove the stain. Of course, the fact that goods are white is a big advantage as they can be boiled. It is sometimes difficult to tell the difference between a bad smoke stain and a scorch. If the material is scorched, it will tear as soon as it is handled. A smoke stain will not do this. Infants' goods and muslin underwear are frequently trimmed with ribbons, sometimes colored and sometimes white. The danger of the colors running in these is slight, as wash ribbons are generally used.

WOOLEN DRESS GOODS.

Woolens of all kinds are supposed to be affected quite readily, particularly by smoke. Smoke damage should not be claimed or allowed unless a trace or discoloration is evident on the material. Of course the porous or loose texture woolens will take the odor of smoke, even without discoloration, but this odor will leave the material, if given a chance in the fresh air. You have probably noticed the odor of smoke very strongly without a stain showing; but if you will recall the circumstance to mind, you will remember that this was in cases where the material was so dark that smoke could not show anyway. Woolen dress goods are quite damageable when many light shades are used, as is the case at present; but they are mostly solid colors. They are all covered on the outside with a heavy wrapping paper, and only the salvage edge is exposed. In a well kept stock, the smoke will not get much chance to reach the light colors; but water will damage them materially. Similar trouble will be encountered here as in the silks, due to colors running, but not to the same extent. In plain colors, such as dress goods are usually made of, the colors are not nearly so likely to run as in silks, where one piece may have half a dozen colors, and if one of them runs the whole piece will be spoiled. A feature we have to contend with here is shrinkage. The different weaves are affected differently, the looser the weave, the more likelihood there is of shrinkage. What is known as flannel cloth is a very loose texture, and heat or hot smoke will draw it up or shrink it. Broadcloth is affected by water which spots it; but all wool will not spot as much as the cheap grade. What is commercially known as union, is part cotton and part wool and water is sure to both spot it and spoil the nap. The adjuster must not be deceived into making allowance on some of the opera shades,

where the damage has been caused by fading. If these light colors are kept in stock any length of time they are sure to fade, even through the paper covering. I have seen a mauve and some shades of purple and plum fade perceptibly, even when kept in a card board box where the light could strike the box.

PAPER PATTERNS.

It would pay an uninsured merchant to have a special case made for his paper patterns as this stock is very susceptible to damage. There is either a total loss or no loss. Patterns are made of a very poor quality of tissue paper. One pattern consists of a number of pieces of this paper which must retain their original size and shape absolutely; as the least difference in one piece will render the whole pattern useless. Water even in the smallest degree will stick the tissue paper together, or shrink it so that it cannot be used. These patterns are kept in a case made up of a great number of pigeon holes. This case is usually of wood of a very light weight, and the patterns are in envelopes, which quite frequently are too long for the case. If a case were made of heavier wood, zinc lined with a drop front or glass doors, it would be a very effective preventative against damage, and would be well worth the expense.

WASH GOODS.

These are less liable to damage from water, as they are made purposely to wash. But there is always the danger of colors running and the term "wash goods" is in many instances a misnomer. The better grades of wash dress goods are kept in the same manner as silks, and the same class of damage obtains. In all of the sheer materials a dressing is used to stiffen and give body to the fabric. If they are wet, even granting that the color will not run, the damage will still be considerable as the fabric will lose its body. This material will launder and look well; but the fact that it has lost its freshness will impair its salability.

The wash fabrics of the present time have various finishes; the most common of which is the mercerized. This is a hard gloss finish put on the cotton thread to make it appear like silk or linen. This finish is supposed to withstand washing, but it will never look the same after it has been laundered. Hence the damage from water will be much greater than in an ordinary fabric without fancy lustre. Shrinkage must also be watched for. A cheap quality of gingham will shrink as much, if not more, than any other fabric. The adjuster must not let any shop wear be passed as smoke, fire or water damage. All the so-called party colors, if kept near a strong light are very likely to fade or streak.

TABLE LINENS, TOWELS AND DOMESTICS AND HOUSEFURNISHINGS.

Sheets, pillow cases, table linen and towels are only damaged by water, as far as salability is concerned. Towels sometimes have colored borders and these may be affected. Silkolines and cretonnes are usually only prints, and for this reason the colors will readily run. Blankets are shrunk before being finished, and water will shrink them little, if any. As in other goods, the poorer the quality, the greater the damage. Curtains in the best quality are usually not dressed, and will not damage much from water. In the cheaper qualities, the starch will soften and the curtain will lose its shape. Strong smoke, or intense heat will draw the mesh of curtains and materially damage them. Comforters are filled with either shoddy, cotton, wool or down, and are covered with various materials, such as silkoline, cretonne, silks or satins. The down or wool filled, can be renovated or restored to normal condition after either smoke or water damage. If the comforter is of a better grade, it will usually pay to figure on re-covering; and if necessary, renovate it. The poorer qualities will not stand the expense. The cotton or shoddy will pack when wet badly and are of no value.

ART GOODS AND EMBROIDERY SILKS.

The time of the year governs the quantity and style of the stock on hand in this department, from August to January being the heaviest season. Along about August or September the stock for the Christmas fancy work arrives, consisting of white underwear, aprons, center pieces, tray cloths, doilies and other pieces too numerous to mention. The colored pieces consist of crashes, mummy cloth, natural and colored linens, denims, satin, silks, and other novelty materials. These are in shape of table covers, pillow and pin cushion tops, scarfs and novelty bags. All of the above are stamped or the patterns are stenciled in colors to be embroidered or worked in embroidery silk, cottons, or novelty twist. As the holiday season approaches the stock of materials decrease and made up or finished articles commence to arrive. The damage from water or smoke stain is very great, particularly in the colored materials. They are practically all of solid colors and one would not suppose the loss would be as great as in piece goods. In fancy work the value of the finished article is fifty to ninety per cent labor. A center piece for example might cost two dollars for material and be worth twenty dollars finished. If the material were damaged fifty per cent the piece could not sell for more than ten dollars, which would be scarcely more than half the cost of labor required to finish it. Of course this is the case only in the colored or novelty pieces that will not wash or satisfactorily clean. In most of the white pieces the

damage will be much lighter as they are usually soiled from handling and must be washed after the work is finished. There is one exception to this; in the case of sheer aprons on which embroidery is to be worked and the piece finished with either lace or ribbon extreme care is taken to keep the piece clean so as not to necessitate washing, because laundering will destroy the appearance of newness in any piece of sheer material.

Novelties are usually kept in packages or boxes containing the stamped piece with silk or cotton necessary to complete it. The damage possible from smoke is lessened by the paper or box covering; but as the colored silks are in contact with the material, the possible water damage is very great, due to water causing the color to run in the silk. Embroidery silks in skeins have no value when wet or thrown around as they become rough and cannot be worked, except possibly in the rope or twist silks which have a harder surface. Floss and down pillows are kept in this department. The floss pillows are a total loss if badly wet as they will surely mat; whereas down pillows can be renovated; thus the damage would only be the cost of renovating. It is true in every department and in every class of goods that the damage to necessities or staples is far less than the damage to novelties. A novelty is always for show or for a gift, and when a person buys anything of that nature he will not accept a damaged article even at a greatly reduced price. While a staple, even if very badly damaged, always has a value. Another feature that must be watched for in this department is depreciation, due to change of style. Stamped patterns and styles of work change materially and often. When a pattern is out of style it is not worth very much on the dollar.

YARNS AND KNIT GOODS

are very susceptible to damage. Smoke stains them very quickly and water will shrink or cause the colors to run. The domestic yarns are more liable to shrinkage than the imported, which is due to the way they are manufactured. The domestic are only washed once in the making, while the imported are washed three times and are supposed to be thoroughly shrunk, although the best of them will shrink to a certain extent. Shop wear and fade in yarns will occur even with the most careful merchant. Some shades will fade if exposed to the light and will often fade even in the box, if they are kept in stock any great length of time. This damage must not be confused with fire damage. Shawls, caps, slippers, underskirts, jackets, and numerous other articles made from yarn are all subject to the same class of damage, that to the staples always being lighter than to the fancies.

READY TO WEAR GOODS.

This is a very extensive department and one where the values fluctuate considerably, as they are all seasonable goods. Petticoats or underskirts are made of various materials and the damage to these is the same as in the goods by the yard. Waists are made of silks, satins, wash materials, woolens, and novelty goods. A silk or satin waist that is damaged is often a total loss, as a small spot may spoil the whole waist. The silk and satin waists are kept in boxes, with the exception of a few that are on forms in the different parts of the store. Naturally those kept in boxes are not so greatly damaged, while those on the forms are likely to be a total loss. All silk waists will be badly damaged unless they are promptly dried. Wash waists are affected the same as the material, but will unless very badly damaged sell at a price. Woolen or flannel waists are very liable to shrink. Quite a few fancy dress waists are made of chiffon, voile, mouseline de soie, and net, and these are nearly always lined with silk or satin. The damage to any of these is considerable, but a chiffon or mouseline is worthless if wet; in fact the only material of them all that can be renovated is the net, which will wash if the lining will permit, or it will at least clean very satisfactorily. Suits are usually kept in full length center, or wall cases, and if these are closed at the time the fire occurs the chance for loss is very slight. A damage that can be avoided and that often occurs is caused by water being left on top of the cases and seeping through to the garments, streaking and staining them. If these cases, or all cases and fixtures, were dried off on top and covered with an oil cloth which would cost about twenty or thirty cents a yard, the saving would be great. When suits are wet they are badly damaged through the lining of the coat or jacket shrinking and throwing the garment out of shape. Often the material will shrink and leave the lining showing all around the bottom. Sometimes the jackets and skirts of a suit are kept in different parts of a store and one may be damaged or destroyed without the other being affected.

When this occurs the piece that is left is of little value. A separate skirt is worth something, but a jacket, unless it could be used as a long coat, would be worthless. Cloaks are often unlined or have little lining, and the material itself being heavy, retains its shape; therefore, they are not so easily damaged. Costumes, light dresses, and opera cloaks are all very susceptible to damage, and it is a rather difficult matter to dispose of them. It would probably be advisable to recondition them, as no one will take the chance of investing so much money without knowing what could be done with the garment. A person who would ordinarily buy one

these light garments and pay a high price for it, would not take the same garment as a gift if it were damaged. Another person who would not ordinarily buy such garments might think them very cheap at the reduced price, but would not, unless in exceptional cases, think of buying them. A man's suit which would sell for fifty dollars would, if slightly damaged, sell to a man who could not afford to pay the full price. In women's garments the styles are extreme, and those for whom they are intended would not buy damaged garments at any price; while those who could not afford the high price would not buy them as the style would be unsuitable for their usage. Separate dress skirts are not used very much at the present time, and the stock would consist principally of walking skirts, which are not very easily damaged. In addition to these a few voile, etamine, or broadcloth skirts, principally plain colors, would be found, and these if wet would probably lose their shape. The black etamine or voiles are apt to turn rusty. Children's dresses are usually kept in drawers in the lower part of wall cases, or under the counter, and water or smoke will find little chance to reach the garment. These are often affected by water running down the wall behind the cases and entering the drawers from the rear. This is a very bad damage as it is not anticipated and frequently is not discovered until every garment in the drawer is affected. The children's dresses are generally of wool or cotton and are not damaged as badly as women's garments, as they are practically all staples and have no fancy colors and even if damaged would sell much more readily than a woman's garment.

GENERAL REMARKS.

Merchandise to the amount of thousands of dollars in a stock of this size is frequently kept under counters and in boxes on the floor and often these goods are of a perishable nature. An adjuster should find out from the insured who knows where his stock is placed, exactly where all goods which are particularly susceptible to damage are stored and take immediate action in preventing further damage and thus save money both for the insured and the companies. The amount of money saved will be governed greatly by knowing where to look for damage and where to expend your energies. The commonest water damage that is encountered, and one that is not confined to this class of store is caused by the water running down the walls and lodging on the back part of the shelves and sometimes into the drawers. This condition unfortunately is often not noticed until it has caused extensive damage. After a fire occurs the only way that the loss can be even lessened is by moving all of the merchandise.

A merchant should not allow any case or fixture to come into contact with the walls. An inch air space would be sufficient, and all goods or boxes containing merchandise should be kept off the floor at least two or three inches. If these simple precautions were taken much unnecessary damage would be eliminated.

The knowledge of merchandise and the damage to it are two entirely different matters. It must be remembered that a merchant will always know more about his own stock than any adjuster; while an adjuster will know more about the effect of damage and where it will show. The adjuster by being able to point out intelligently where the damage exists, and by convincing the insured that he is working in his interest as well as in the interest of the companies, he will gain his confidence, which is the key note in all adjustments. (Applause.)

The President—Another very instructive and valuable paper, gentlemen. All the points brought out by Mr. Allan are such as we can give the closest attention to. This paper on a dry goods stock loss interests us much, and I will ask Mr. Folger if he will add something by way of discussion to the subject.

Mr. Folger—It is unnecessary, Mr. President, to say that I do not feel competent to discuss the details of the paper, especially as my work has never required me to adjust a dry goods stock loss, or to pass upon it in such measure as would possibly add anything to what has been said. I suppose the reason I am called upon now is that I invited the gentleman to prepare and read the paper. I have made it a rule, Mr. President, for at least ten years, every year to ask at least one young member of the Association to write something for us. I have never been better rewarded in the ten years. That paper represents the work of a young man, and it is all his own work, thoroughly done. I think you will agree with me that there is no better way to gain a reputation in the fire insurance business than to show good work of that kind to the public. (Applause.)

The President—I want personally to thank Mr. Folger for having asked Mr. Allan to prepare the paper, and I hope Mr. Allan will favor us again next year.

The next order of business is the report of the Committee on the President's Address, and the reports of the Secretary and Librarian. I have the report of the committee here, and if Mr. Thornton is present I will ask him to read the report of the Committee.

Report of Committee on President's Address and Secretary and Treasurer's and Librarian's Reports, and Report of Executive Committee.

Your Committee has carefully considered the address of the President, and the reports of the Treasurer and of various committees which have been referred to it.

1. The surplus of $23.45 of receipts over expenditures as shown by the Treasurer's report, is an agreeable change from other reports in recent years. However, this was only obtained by an increase of $1.00 per annum in dues, and nothing was left for additions to the Library, which are badly needed. We hope the Executive Committee will find it possible to increase this surplus during the coming year. We are informed that the payment of dues has been delayed in the past so that the Treasurer has found it difficult at times to meet our obligations. Promptness is a virtue, and we urge our members to make these annual payments without solicitation.

2. The only feature of the report of the Executive Committee which calls for comment is the remark that the deficit in connection with the annual banquet of 1911 was $196.90. We believe this important item must be handled by the Executive Committee and the Dinner Committee in conference. The educational and social sides of our work are both important, and the good feeling and better understanding created by these annual dinners have a value which can scarcely be over-estimated. At the same time we should make the receipts fit the expenditures as nearly as possible without increasing the price.

3. It is gratifying to learn that the use of our Library is growing. The incorporation of this Association or of a separate Library Association would have some advantages, and we recommend that the Librarian's suggestion be referred to the incoming Executive Committee for special consideration.

If this plan should be adopted it would be necessary to provide for the Librarian's salary, as well as for the cost of new books; but it would not be impracticable to grant an annual appropriation for the Library so organized, out of our own treasury. Whether this be done or not, some provision should be made for the use of the Library by the members of the Insurance Society of San Francisco (chiefly office clerks) at convenient hours, that they may have an opportunity to fit themselves for the proposed examinations in 1912.

4. The President has advocated the holding of an insurance congress in 1915. Recently the Insurance Society of San Francisco has suggested the idea of inviting the Insurance Institute of America to hold its conference in 1915 in San Francisco instead of in one of the Eastern cities. We recommend that the two suggestions be united and that some plan be devised for an insurance meeting in San Francisco during the year mentioned, which will do justice to the importance of the interests involved. The question of raising funds for making the most of the occasion cannot be dealt with on short notice, and we recommend that this be referred to the Executive Committee.

5. We approve the recommendation that the index to our annual proceedings, last published in 1903, be brought up-to-date and printed at the expense of the Association, subject to the approval of the Executive Committee.

6. We recommend the adoption of the President's suggestion that if competitive papers be read before the Insurance Society of San Francisco annually, the paper awarded the prize be printed at the close of the printed proceedings of our own Association for permanent preservation, and as additional recognition on the part of the younger men.

7. The practical side of field work must have first place; but we heartily agree with the President's view that more attention should be given to educational work. With the same personal qualities one special agent will get better results than another when trained intelligently upon the details and results of our business. The demand is increasing for men who are thoroughly trained, rather than for those who have a little superficial knowledge. It follows, therefore, that our younger men who are looking forward to field work in the future will find it profitable to learn all they can before they begin to travel, and it is the duty of this Association to help them.

8. The President's suggestion of a "Fire Prevention Day" is attractive and deserves to be followed up. We suggest that this may be done best by

co-operation among the various associations and societies having to do with fire insurance.

We congratulate the President heartily upon the practical character of the program submitted, and the Association of the good work of the year just closed.

Respectively submitted,

A. W. Thornton,
Arthur M. Brown,
Louis Weinmann,
Herbert Folger.

(Applause.)

Mr. Folger—Mr. President, I ask leave to have a moment to make a verbal report for the Committee on the Insurance Institute of America, and if I may, I will take the desk in order to be heard better. The Association will remember that a special committee was appointed three years ago to endeavor to bring about some unanimity among the various organizations of fire insurance in the United States, which resulted in the formation of what is now called the Insurance Institute of America. It was intended to be planned on lines following those of the Federated Insurance Institutes of Great Britain, which provides for annual examinations of young men, with awards and certificates from year to year, until they have finally passed, and it may be said, in parenthesis, that on the other side of the water, men cannot fill high positions, as a rule, who have not creditably passed examinations showing that they were fitted to do so.

Last year, largely owing to the absence of the chairman from San Francisco for several months, we had very little practical result from our attempt to initiate examinations on the Pacific Coast. We found five young men who came forward for the preliminary work, but who did not pass the examination, and I may say frankly that the members of this committee could not have passed the examination as distributed to us. Since then, however, the insurance institutes of other localities have found out

what that means, and the proposed course recently sent out to us for three years, beginning in 1912, seems very practical. We are in hearty sympathy with the movement. I am glad to report to you that the Insurance Society of San Francisco, a separate organization of younger men, nearly all our clerks, have taken up this matter actively, and that nine of them have come forward to prepare themselves to take later on the examination proposed for 1912. This can only be done by giving them a good library, which they do not possess, and which, while we possess to an extent, is opened only two hours in a day, and that is the reason why the suggestion has been made, in the light of the President's Address, that some provision is made for these young men in the future. I offer this running report, asking leave to file a written report in its place to report progress.

Mr. Gunn—Mr. President, I do not want to delay the game, but I was about to get on my feet when you recognized Mr. Folger. I wished to add to the report read by Mr. Thornton in reference to the Clerks' Association and the papers they have written. You know that Colonel Kinne last year offered a cup to the Association for the best paper. The writer of the paper who won that cup has produced a paper that is well worthy a place in our printed records, and following up Mr. Thornton's suggestion, I believe that there ought to be an incentive held out to these boys, that the prize paper, in addition to whatever other prize is given, may be printed with our proceedings. I would like, if somebody whose head is clear enough at the present moment, would just formulate that and put it in the form of a motion.

Mr. Folger—I move that the paper presented by Mr. George A. Yocum which I heard with very great pleasure, and which was awarded the "Kinne Cup" as a prize, be printed as a part of our proceedings this year.

The motion was seconded and unanimously prevailed.

The President—The report of the Committee on the President's Address and the reports of the Executive Committee, the Secretary-Treasurer, and the Librarian, is before us. What is your pleasure, gentlemen ?

Mr. Osborn—I move that the report be adopted as read.

The motion was seconded and unanimously passed.

The President—The next order of business is the election of officers and Executive Committee.

Mr. Gunn—Mr. President, on account of circumstances over which we have absolutely no control, and which we very much regret, we have had to make a change from the nomination report which was printed and sent out for your consideration. We offer now as names for officers for the incoming year the following:

For President, Mr. F. J. Alex Mayer,
For Vice-President, Mr. T. H. Williams.

The intention had been to nominate Mr. Francis for President and Mr. Mayer for Vice-President this year, but on account of the change necessitated by circumstances, as I have mentioned, we have had to modify that.

For Secretary and Treasurer, Mr. Calvert Meade,
For Assistant Secretary and Librarian, Mr. J. P. Moore,
For Executive Committee, T. J. A. Tiedemann, Guy Francis, A. M. Brown, F. B. Kellam, Louis Weinmann.

We offer these nominations:

Mr. Folger—Before the report is acted upon, I ask the privilege of saying that Mr. Francis called upon me this morning and asked that I speak for him and say that the circumstances to which the chairman of the committee making the report has referred,

were absolutely sound, and I have pleasure in saying that, in Mr. Francis' place, I should not be at liberty to accept a position which I could not retain for sound business reasons, and I say also that the circumstances are such that if, later on, he can consistently accept such a position, we could with good reason and pleasure offer it to him.

Mr. Gunn—There is one change that should be made in the report as read. I do not think Mr. Francis will be eligible to membership in the Executive Committee.

Mr. Folger—No. Any past president will be.

The President—I would like to have any gentleman suggest a name to fill that vacancy.

Mr. Folger—May we have those nominated read again ?

Mr. Gunn—For President, F. J. Alex Mayer,
For Vice-President, T. H. Williams,
For Secretary-Treasurer, Calvert Meade,
For Assistant Secretary and Librarian, J. P. Moore,
For Executive Committee, T. J. A. Tiedemann, A. M. Brown, F. B. Kellam and Louis Weinmann.

Mr. Folger—I suggest Mr. Osborn.

Mr. Osborn—I served on the Executive Committee last year.

Mr. Folger—I suggest Mr. Gunn.

Mr. Gunn—I served also. Will you excuse me a year or two or three or five ?

Mr. Osborn—I nominate Mr. Folger, Mr. President.

The President—We have two nominations.

Mr. Gunn—I withdraw in favor of Mr. Folger.

The President—If that is agreeable to your second, otherwise there are two nominations, and the matter will have to go to vote.

Mr. Folger—Mr. Chairman, I withdraw it to save time.

Mr. Thornton—I move that the Secretary cast the ballot of the Association for the gentlemen named in the report of the committee, including Mr. Folger, named from the floor.

The President—Are there any other nominations? If not, the question is upon the motion offered by Mr. Thornton that the Secretary cast the ballot for the gentlemen named.

(The motion was seconded and unanimously prevailed, and the Secretary announced that the ballot of the Association had been cast in favor of the gentlemen named.)

The President—The ballot has been cast, and the gentlemen named are elected to the positions indicated in the report.

The next order of business will be the reading of "The Knapsack."

CALIFORNIA KNAPSACK

1912

A. C. THORNTON
G. A. R. HEUER } - - - - - - EDITORS

VOL. XXXVI JANUARY 10, 1912 NO. ONE

Again the editors of the "Knapsack" present their resignation. This is partly from habit and partly because we know it will not be accepted. Frankly, we like the job, but nature rebels. We have sat up night after night attempting to discover something funny in the business, but our well of humor has been evaporated by the heat of last year's campaign for business. Our fund of anecdotes is exhausted. In vain we have tried the prescriptions of Dr. Munyon and Lydia Pinkham to spur on our lagging sense of humor, but this method has been as prolific of results as trying to increase our receipts in the Willamette Valley or the Palouse country.

This matter has become so serious to the editors that it has assumed a humorous aspect. The dividing line between levity and gravity is as fine as that between sanity and insanity. It is to be hoped that we are still on the sunny side of the line. We have entreated our members to furnish us with material for anecdotes while on their travels, but have been met with the statement that such material had been used in the furtherance of their business interests with local agents. We have finally come to the conclusion that there is nothing particularly funny in the business anyhow.

Therefore, you Knights of the Grip, who today cheerfully solicit brick buildings for three year terms, which only a short time ago you explained to the assured could not be written for

more than one year at a profit—you who now gladly pay graded commissions, after insisting for years that the margin of profit would not permit it—and you who are so mentally constituted that you can argue with equal effectiveness on any side of the question—we defy you to find humor in this year's "Knapsack."

Therefore, let him who is without increase in his field cast the first stone.

We have endeavored to be artistic with the "Knapsack." We thought it necessary to tell you this as it may not have occurred to you.

"Art for art's sake is lovely, we think,
But the "Knapsack" for God's sake
Will drive us to drink."

Special Agents Association of the Pacific Northwest,

Portland, Oregon.

Gentlemen:

Be it known to you all that I have quit the insurance business. No more in my capacity as a special agent will I hot-foot it about the country at the risk of life and limb, looking up live, active agents, who afterward become lame ducks and retire from the business with their pockets lined with the companies' money. No more will I retire early in some small country town and fight bugs and fleas trying to get a little rest before the call boy raps to tell me the 2 a. m. train is three hours late. No more will I inspect a shingle mill or fruit dryer which the manager has ordered cancelled, and advise him to stay on the risk and not to be too critical with this good-premium-getting agent, only to learn the next week that he acted on my advice, and the risk burned costing the company a goodly pile of plunks. No more will I order a risk cancelled at once, at the cost of an all-round row with the agent, and forever afterwards when passing that way, have that confounded risk stare me in the face, looking as dirty and delapidated as it always did, and think what a lot of good premiums the company has lost by my wisdom, and have the agent say, "I told you so."

No more will I struggle with my expense account to make it come out even, and think I am deceiving the manager.

No more will I put up at the best hotel in the city, and spend days and days inspecting a few first-class risks and try to make the manager think I have been at work.

I have built the insurance business up to a state of near perfection, reformed evil practices, eliminated competition, and made it to rain golden dollars, all clear profit (less the general agents commission and the special agents expense), into the pockets of the stockholders. The only troubles left confronting the special agents are more aptly described in Hebrews XIII Chap., VIII verse.

I therefore retire in the full consciousness that had I not been in the way, some good man would have had a chance to earn a reputation and competency equal to my own.

I now retire down on the farm, where I'll plant apple trees, and paint the barn, and raise "tall red calves with crooked legs, and pigs and hens and have boiled eggs," and if any manager dare trail me to my rural home and ask me to drop my pruning knife and again become a Knight of the Road, "I'll smite the tempter on the head and plant him by the cattle shed" after soaking him for two hours in carbolated lime and tobacco, and spraying him with lime sulphur to kill the moss.

I intend hereafter to grow big red apples among the rocks that bring two plunks per, when sold by the box, and, "serene and calm among the trees I'll toil, and paralyze the fruitful soil," and be as cheerful as it is possible to be with a disposition spoiled by many years struggling with the rate-making bureaus. And when the chickens spoil my garden sass, and cows and pigs that have no sense are always breaking through the fence, with philosophic mind I'll say, this is the true and only way. Henceforth it will be my pleasure to fight shell-back lice, San Jose scale, green aphis, twig beavers, leaf hoppers, coddling moth, slugs, cutworms, roat maggots, lichens, mildew, rot, scab, blight, canker, anthragnos, smut, and a few other pests not yet born, and grow my own hard cider and ship butter by the carload and as a sturdy yeoman learn to keep even with my neighbors in a horse trade, and regain, I hope, the respect of my wife and family.

That I shall at times feel lonesome in a community of honest farmers after so many years association with this bunch of special agents, goes without saying. I leave you, however, with nothing but the kindliest feelings toward you all, and can wish you nothing better than that you all may some day have the sand, sense and wherewith to follow my example.

I therefore tender my resignation as a member of the Special Agents' Association of the Pacific Northwest, and hope it will be accepted as cheerfully as it is tendered.

Faithfully,

P. E. Gerould.

1

"Father, tell me what's a 'Special?'"
Asked an anxious eager lad,
Low replied the loving father,
"A 'Special' is both good and bad."

2

"He's the boy whose paid to travel,
Pockets filled with good cigars,
Like a sailor in rough weather
He pilots schooners 'cross the bars.

3

"Always anxious for large income,
Devils agents nigh to drink,
Tells them stories full of buncombe,
Cancels risks before you think.

4

"Cashes drafts at every banker's,
You'll always find the chap 'well heeled,'
Takes you out and buys a dinner,
Then asks for income from your field.

5

"Be not deceived by this gay creature;
You can't deny he's here to stay,
But when he says 'I'm pleased to meet 'cher,'
Beat it, kid, the other way."

Methuselah's Writings and Philosophy Regarding the Rate War.

Verily, verily, I say unto you, I have watched the rate cutter at his work, and his ways are dark and devious, for he who cutteth a rate is one who placeth his hand in his right hand trouser pocket and extracteth twenty bones therefrom, so that he may place it in his left hand pocket wherein there is a hole that the money may pass down his trouser leg into the gutter. For what profiteth it a man if he write the whole risk and get no rate therefor.

For as the apple tempted Adam, so does the low rate tempt the greedy. Consider the rate cutter as he goes, he toils not, neither does he spin, but fools the public as he goes and pulleth the sheckels in.

Diary of an Up-to-Date Special.

Jan. 2.—The office having at last yielded to my entreaties, finally purchased me the auto I have long desired. Just watch me make the other boys hustle.

Jan. 3.—Learning to drive. Machine works fine.

Jan. 4.—Learning to drive. Upset peanut stand at entrance to Golden Gate Park. No one hurt. Paid owner $5.00 to keep him quiet. Teacher says I am doing well. Machine working fine.

Jan. 5.—Took last lesson today. Teacher says I can start out alone tomorrow.

Jan. 6.—Drove to Stockton today. Did not have time to visit any agents en route on account of three punctures and darkness. Machine is in garage. Will not look up agent as I am tired and must get up early to oil car. Machine working fine.

Jan. 7.—Saw agents for only a few minutes today, as most of my time was taken up oiling car and adjusting carburetter. Will have to let inspections go until I return here. Must leave for Modesto at once in order to reach there before night. Machine working fine.

Jan. 8.—Did not stop at any towns en route to Modesto as differential not working right, so drove right into garage. Otherwise car working fine.

Jan. 9—Spent a few minutes with agent, but could not stay long as I had to leave town for Merced. Will let inspections go until next trip. Machine working fine.

Jan. 10.—Arrested for speeding. Saw agent for a few minutes. Will let inspections go until I return here, as I lost time appearing before justice of the peace, and must leave for Fresno to keep even with itinerary. Car working fine.

Jan. 11.—Machine in garage. Laid up for repairs on account of running into telegraph pole not noticed because of land fog. Expect to have it going again in three days. Will take train for Bakersfield from here.

Jan. 12.—Still traveling on trains and machine in garage.

Jan. 14.—The same.

Jan. 15.—Sold machine to a farmer for sixty per cent of what it cost me. Feel that I have made a good bargain. Trains for me hereafter. I am now working fine.

Hubby—"Reckless and extravagant—I? When did I ever make a useless purchase?"

Wife—"Why, there's that fire extinguisher you bought a year ago, we've never used it once."

The Special Agent.

By Miss Maud Miller, Riverside, Cal.

When the grind of the business seems more than your might,
While despite your best efforts things fail to come right,
And you feel that the whole thing is scarce worth the fight,
Who comes with warm hand-clasp, and smile that is bright?
The Special Agent.

To your long tales of woe who lends sympathy's ear,
With patience explains till the least point is clear,
Smoothes over your blunders, dispels all your fear,
And fills the whole office with an air of good cheer?
The Special Agent.

Who is careful to keep his own troubles suppressed,
Telling jokes and new stories with inimitable zest,
Who quickly responds to your slightest request,
With the courteous air of a host to his guest?
The Special Agent.

Who must always put business ahead of his fun,
Learns to sleep, to dress, and to eat on the run,
Is adjuster, collector, inspector, in one,
Who always is rushed, but whose work's never done?
The Special Agent.

—

In a bright spot in heaven, filled with flowers most rare
Where the sweetest of music makes vibrant the air,
And the senses are pleased by all that is fair,
May you find your reward in eternal rest, there,
O, Special Agent.

———

"What are you doing with a $500 policy on your furniture when you haven't over $50 here in value," said an adjuster to Abe Cohn, who had just had a slight loss.

"Vell, my friendt," said Abe, "look vat I lost in the big fire, and got twenty cents on the dollar!"

Dooley on Separation.

By Arthur C. Thornton.

An immediate hit at the banquet of the Fire Underwriters' Association of the Pacific was the paper contributed by Arthur C. Thornton, editor of the famous "Knapsack," and, in every day life, manager at San Francisco for the Prussian National Insurance Company. Mr. Thornton's satire on the question of separation seemed greatly appreciated by those present:

MR. DOOLEY ON SEPARATION.

"Tim O'Brien th' insurance agint was in yisterday, an' he told me th' rate on my policy was raised, an' that I had to pay four dollars an' siventy-five cints extra," said Mr. Dooley, wiping his hands on his apron. "I tell ye Hennessy, th' way th' cost iv livin' has gone up is appallin'—th' only way I can hope to keep th' wolf from th' dure will be to raise th' rate on steam beer an' abolish th' free lunch counter.

"'Tim,' I says, 'ye've known me for many a year, an' durin' all that time th' Hibernia Insurance Company has carried my insurance for twinty-siven dollars, an' the only time I iver drew annything was th' night iv poor Clancy's wake in th' back room when Hogan fell asleep and kicked over wan iv th' candles. An' now th' company raises my rate or they'll cancel th' policy.

"'T'would be a fine thing, after ye bought a railroad ticket from here to Pittsburgh, if th' conductor should tap you on th' a-arm and say ye had to pay tin dollars extra or ye could get off at th' next station an' take th' Jingaboo Line on th' other thrack.'

"'Tim,' I says, 'did th' company tell ye why my rate was raised?'

"'Sure,' says Tim, 'it's on account iv separation.'

"'Separation iv what?' I says.

"'Well,' he says, 'ye see all th' insurance companies in th' trust have decided they won't play in th' same game with th' la-ads that can't or won't get in the trust. They've made a set iv rules, which says that all agints must play in th' game with either th' ins or th' outs—ye can take ye're choice but ye can't play with both. They've got to start a table iv their own on th' other side iv th' room. The trouble was caused by the la-ads out iv th' union peeking over the chowlders iv th' lads in th' union an' gettin' wise to th' rules. Every time there was a jack-pot if th' trusts held a straight the other fellows held a flush an' took th' money. To throw th' non-unions off th' track, th' unions would declare a mis-deal, change th' rules an' order a new deck. Th' expenses iv runnin' the game is big, and the' rake-off for the kitty is roonous. Owin' to the rules, th' non-unions

couldn't chip for th' kitty. Th' way things were runnin' was exasperatin to the unions. They couldn't think iv anny way to keep the non-unions from seein' th' other fellow's hand. All th' heavy sports are unions an' most of the money is on their table. There is no limit to th' game, and th' size iv some iv th' pots an' th' way they are played are staggerin' to th' pikers iv both sides.

"'Wan day the unions held a meetin' an' decided that as things were gettin' pretty scandalous they wouldn't play any longer with th' non-unions, so the president iv th' unions calls over on th' non-unions an' he says, "Boys," he says, "Ye've got to move. Go over on th' other side iv the room, or down on the next block. Go annywhere," he says, "an' start a game iv ye're own. Or play on th' flure, for all we care," he says, "but ye can't play anny more with our layout," he says. "We've given ye plenty iv warning'" he says, "an' ye keep on gettin' away with our stuff, an' now we're goin' to make yer play by yerselves. Gawd knows we've trouble enough with some iv th' bad acthers among oursilves that don't play th' game straight," he says, without you takin' a hand," he says. "We'd like to take some iv ye into the union, so you could play at our table," he says, "but we're a bit crowded just now," he says, "an' none iv ye play a very good game annyhow. First, ye've got to learn Washington pinochle, Oregon craps, Arizona blackjack and Nevada roulette, to say nawthin' iv a smatterin' iv Montana an' Colorado monte." Wid that he walks out an' leaves the non-unions to think it over.

"The non-unions are still playin' th' game. They have no rules, an' 'tis likely if they had rules t'would do 'em no good. They've borrowed a set iv chips and they're playin' an open, no rule game on the' flure.'"

"What has all this separation got to do with th' extry four siventy-five, Tim says ye've got to pay?" asked Mr. Hennessy.

"Well," said Mr. Dooley, "the Hibernia is one iv th' unions, and Tim says it's to help out th' kitty; an' what Tim says goes."

"Jamie," said the kindly agent to his office boy, "I wish you wouldn't come to the office with soiled hands. What would you say if I came in every morning with dirty hands?"

"Well," replied the boy, "I'd try to be that perlite as not to mention it."

"You see," explained the officer of a busted insurance concern, "our receipts became so large that we really had to have a receiver."

He left the hotel at midnight,
Made an awful run,
Just grabbed the rear platform,
Special No. 1.

He was a mad little fellow,
And kept the porter in a stew
And met at Sacramento,
Special No. 2.

Two thirsty little fellows,
The sights they went to see.
They found an awful wreck,
Special No. 3.

Three jolly little fellows,
Went in the private door,
They heard an awful whistle!
Special No. 4.

Four sorry little fellows,
Just barely alive,
Were waiting on a siding, for
Special No. 5.

Five friendly little fellows,
Smart, they knew all the tricks,
Were thrown in a grain field by
Special No. 6.

Six angry little fellows,
Their arms upraised to heaven,
Waited at the water tank for
Special No. 7.

Seven tired little fellows,
All had made the same date!
They reached their destination just behind
Special No. 8.

Eight sleepy little fellows,
Their inspections way behind,
Each took a drink of WATER, on
Special No. 9.

Nine worried little fellows
Were busy, each with a pen,
Figuring out their salaries,
Special No. 10.

The President—That completes, gentlemen, the formal program of the meeting. I have only to state that our banquet will be held this evening at seven o'clock in the Colonial room of the St. Francis Hotel. Is there any other business requiring our attention before the meeting is declared adjourned ?

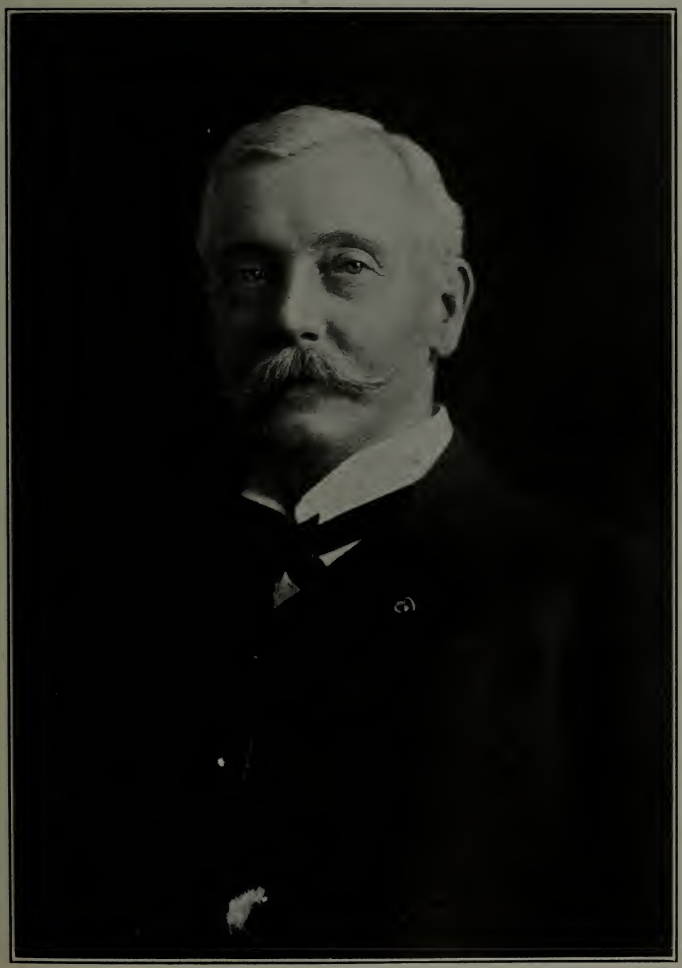
Mr. Folger—Mr. President, I would like to say before you declare the meeting adjourned, that we have always felt from year to year that we are reaching a high water mark in our meetings. It seems to me this time that the program has been particularly well planned and well carried out, and I congratulate you, sir, and the Association upon that fact.

The President—I thank you, Mr. Folger, and I wish to thank those who so kindly contributed papers, and you gentlemen, for the attention that has been given during the reading of the papers and the proceedings of this Association. With that I declare the meeting adjourned sine die.

THE BANQUET.

The President—For the past two weeks or more, gentlemen, we have been congratulating Colonel Kinne upon his good fortune in being able to retire from active business life. Yesterday, however, we showed a little of the selfish side of our human nature, when we, by premeditated, concerted and unanimous action, made Colonel Kinne an honorary member of the Fire Underwriters' Association of the Pacific. (Applause.) We did this, I may say, because we did not want to lose him as a member, we did not want him to drift away from us. From the time when he became a member of this Association, I believe way back in the seventies, he has been one of the most energetic and active members that we have had. Appreciating this, and the great value that he has been to us, we want to keep him with us that we may continue to be favored with his wise counsel and be benefitted by his good advice as long as he may live. It was he who in 1879 created our now justly famed California Knapsack, continuing as its editor until 1885.

It would be difficult for me to pick out among our members, the older ones, those who have not thrashed out something in connection with the Kinne Rule. I know that Mr. Russell Osborn has had many a set-to with the Colonel, and all would go well until probably Mr. Osborn would endeavor to give him a little too much, an overdose, perhaps, of "horse sense." Then he would be very promptly reminded by the Colonel of some "things" that occurred as the result of his presence on the battlefields of Waynesboro and Winchester. Nothin happened, however, and they are both with us, happy in the knowledge of a sincere and lasting friendship. I notice Mr. Osborn seated at the table with his party, and, as a member of this Association, I will ask Mr. Osborn to say a few words to us tonight. (Applause.)



C. MASON KINNE

Mr. Osborn—Mr. President and gentlemen, and honored guest. I do not know particularly who I am called upon to represent tonight, other than myself. It reminds me of a story told by my friend Mr. Kinney of the Franklin. There was a man in Idaho known for his profanity, drinking qualities, etc., and they wished to elect him to the Senate to represent the State of Idaho. The committee called to notify him of his election, and he commenced with his string of expletives. "My God," he said, "me go down there and represent Idaho. What! me in Congress with all of those honored men, brainy fellows, intelligent and intellectual." Then after a long pause, "Well, I guess I can represent the State of Idaho." (Laughter.)

My first knowledge of Col. Kinne dates back to 1877. The Colonel was then a dominant figure in the Western Addition Literary and Social Club. I used to look at him then, think him bright, and what a fine fellow he was. A year thereafter, in 1878, I entered the insurance business and among the first accosted was the Colonel, telling him that I had just then come into the business. "You have, have you?" he replied: "Well, Osborn, you have got a good deal ahead of you," which was true. Naturally, I followed along as all young men in the business will, trying to study the problems, to solve them, work them out, and well remember the fight when it commenced, on the Kinne Rule. It was a great rule, a great war, but a war of words. The Colonel stood his ground, fought, insisted, and would not yield. He had as an adversary Uncle William Sexton. The fight was bitter in its way, each contending for his own principles, his own ideas. I remember thinking then of these "two great men," and this reminds me of a story:

A man named Huston was taking his examinations in college, and the question was put to him, No. 8 on the list, "Who is the greater statesman, Asquith or Balfour?" Now Huston did not know much about politics; he thought it all over, cogitated and asked himself, "shall I toss up, shall I—" "No, I have

it," and he sat down and wrote his answer. "If we study the history of these two men, if we look at the character of these men and analyze their achievements, we must unhesitatingly answer in the affirmative." (Laughter.)

Now, the Colonel, you know, at that time was fighting his ground with characteristic insistence; no one could budge him, none could phase him. The Kinne Rule was his ideal, was theoretically, practically, and mathematically correct. You could not budge him a whit, and this reminds me of another story, and which I saw in the little paper published by the Hartford Insurance Company.

"A wholesale feed house owned a very balky mule named Napoleon and they employed an old negro named Abe, as driver. One day when driven down the road, Napoleon commenced to balk and Abe spent his energies for a considerable length of time to try to get Napoleon to start. He was unsuccessful and Abe then went into a store to telephone his employers, and what you hear was Abe's end of the conversation.

"Please, marm, gimmie number two hund'ed an' 'leven. Is dat you, Marse Henry? Yessir, dis is Abe. I dun ring yo' up, sir, ter tell you about Napoleon. Napoleon, he dun balk down yer on Broad street, sir."

"'Bout an hour, sir."

"Yessir, I bust him in de head."

"I dun wear de whip out on him."

"Yessir, I kick him eighty times."

"Marse Henry, I would ha' kick um some mo' but I hu't me big toe on um de las' time I kick um."

"Twis' his tail? No, sir, not dis nigger. A gemman from New York, he twis' he tail."

"No, sir, I don't think he dead. De doctor take him 'way in de amb'lance."

"Yessir, it was sure foolish."

"Yes, Marse Henry, I dun set fire under Napoleon."

"De harness? Dun bu'n the harness clean off um."

"De cart? Yessir, dun bu'n the cart, too, sir, all 'cept one wheel, sir."

"Yessir, I get the fed out fust, sir."

"Marse Henry, is you want me to come back to de store and go to work, or must I wait fer Napoleon to move?" (Laughter.)

My association with Col. Kinne has been more or less intimate. We have had many tussles, differences, controversies, yet always pleasant. I have never known the Colonel to speak with asperity nor to indulge in invective rejoinder. He spoke convincingly when I opposed him. But none the less we shared in that mutual regard for each other's intellectual capacities and limitations, and when I think back to 1877—how the mind is challenged with the beauties of its memory!

What would life be were we not empowered through that God given trait to recall the events of life, the pleasures of the memory and of the imagination? I have had many pleasant chats with Col. Kinne. We have had our times together and our differences. They have been mutually pleasant, instructive, and I trust, not without results. The qualities of the Colonel's mind are varied and known to you all. To me they represent a peculiar admixture; they suggest so many different phases, that, like a kaleidoscope, they reveal a varied character. Personally, I would much prefer that a man would not understand me until he had known me ten years, than to slap me on the back and say, "I know him."

Colonel, you were elected an honorary member of the Association at yesterday's meeting. I present this volume to you, a gift from your friends. Beneath its mantle rests the record of a memorable year. Its brief recital does more than link yesterday with today, it embalms the sacred spirit of friendship. Let memory do its tracings and lure memory to its will. Let each page be an epoch and remind you of the events of your life. Whatever it may be, I vouchsafe the truth that no one could pre-

sent a more worthy, more fitting, or more beautiful tribute to yourself than that contained within its leaves. Let the ceaseless music of sweet memory's voice content you, and Time with its arresting hand, and Fancy in its capricious moods will do their parts. Let memory unfold its beauties 'ere the purple tones of night have cast their shadows in the West. Dream, dream, and think of the friendships that are here recorded on this tablet. Receive it, enjoy it with us, as we enjoy giving it to you,

"And the night shall be filled with music,
And the cares that infest the day,
Shall fold their tents like the Arab,
And as silently steal away."

—(Great applause.)

The President—The territory under the supervision of the Pacific Coast departments is very extensive. No matter in what portion of it one may travel, the name of Colonel Kinne and the Kinne Rule are known. There is one of our members here whose wide experience qualifies him to speak for the Northwest, one of the largest and most progressive portions of our field. I refer to Mr. A. W. Thornton, and will ask him to come forward and say a few words for the Northwest field to Colonel Kinne. (Applause.)

Mr. Thornton—Mr. President and gentlemen of the Association. I asked the President if he would not relieve me from speaking this evening, pleading my inability. He flatly refused. Then, in my dilemma, I went to an old friend from the Northwest, our silver-tongued orator, the Hon. John H. Shiveley, and asked him if he would prepare a speech for me. He said that he had carefully prepared four or five impromptu talks to be delivered by others here this evening, and that it was extremely difficult for him to write speeches in the Dooley vernacular and the German dialect. As a matter of fact, he said that he had exhausted all the jokes that he had seen recently in the Saturday Evening Post,

the War Cry and the Police Gazette. (Laughter.) However, he said that I might reply to the incoming President, when he stated (as he expected he would), that with the assistance of his confreres he expected to pilot the ship safely into port next year. "Aleck, we all have a good deal of experience in taking "schooners" over the bar, and we will assist the incoming President to the best of our ability next year." (Laughter.)

Colonel Kinne, it afforded me a great deal of pleasure to prepare this resolution, and I am going to claim the privilege of saying that I embodied into it the feelings and spirit of the Northwest men. Permit me to read — may I not? "Resolution adopted at the Thirty-Sixth Annual Meeting of the Fire Underwriters' Association of the Pacific. San Francisco, January 9 and 10, 1912. Colonel C. Mason Kinne having retired from the fire insurance business after many years of active, profitable, and honorable underwriting, and having contributed largely to the success and welfare of this Association, serving ably as its president in 1885, and giving to the underwriting world, through this Association, the now celebrated Kinne Rule for the apportionment of non-concurrent policies.

"Resolved, that as a mark of our esteem and respect, and as a recognition of his valuable services, we elect him an honorary member of the Fire Underwriters Association of the Pacific."

There is no man who has given more service, more advice to the young men, than Colonel Kinne. Nearly twenty years ago, I had the honor of communicating with him on several occasions before I had the pleasure of meeting him, and secured valuable information and excellent advice through correspondence. There is scarcely a man in the Northwest who has not received assistance from Colonel Kinne. The rule which bears his name, "The Kinne Rule," as you know, was adopted by the Underwriters Association, this Association, in 1885, but only a few months ago was ratified by the signatures of every company transacting business on the Pacific Coast, with not a single dissenting voice. I think it

is well said, if you will permit me to say it, that the Kinne Rule has become a celebrated one. It is only within the past sixty days that I received two or three requests from England for copies of it. It is known, not only on the Coast, not only throughout the United States, but practically throughout the world.

Colonel Kinne, on behalf of the Northwest men, I thank you for the service that you have always given, and the assistance that you have always been to us. (Applause.)

The President—I do not suppose there has been a president or an officer of this Association who has not, after his election and during his term in office, consulted with Colonel Kinne on matters pertaining to this organization. I do not know of one who has probably served on more committees, and who is, therefore, better qualified to speak of his experience in connection with the work and affairs of this Association, than a gentleman seated near me, and whom I shall now ask to address you. This gentleman has done much to further the interests of our Association and is today one of the most painstaking and active members that we have. It is with pleasure that I call upon Mr. Herbert Folger. (Applause.)

Mr. Folger—Mr. President and gentlemen: Twenty-one years ago, on my first visit from the Northwest, from which field I came to this Association, Colonel Kinne delivered his last paper, opening with these words: "The first duty of a special agent is to obey the orders of his superior officer." Those words were characteristic of the man, of one who had served before most of you were born under the old flag which hangs over us. They were as true then as they are now; and in these days of loose methods, of irresponsibility, we need to be reminded that we, also, are men under authority.

The first words that I recall hearing from Colonel Kinne in discussion had reference to the need of "bringing good into the business." He credited them to the late George F. Grant. If they came from that lovely character, they were used by Colonel

Kinne so much and so often that I have come to think of them as his, and his influence has influenced me and many others through them.

There are so many young and new members in the Association that it is well to remind you that few men can read papers or do active work for the business at large, after fifty years of age. And if you make the mistake sometimes of thinking that old men as you see them, have been no different in the past, never had any usefulness, keep that in mind. From the year 1880 to the year 1891, Colonel Kinne's name was practically never absent from a program, and he worked hard. By that time he had earned his rest. When he was a child he probably heard, as you have, the words of the Book of Wisdom, that if one cast his "bread upon the waters, he shall find it after many days." I am reminded of this by the fact that a few months ago Colonel Kinne offered a silver cup as a prize for the best paper which should be written by a member of the Fire Insurance Society of San Francisco, made up largely of our office clerks. And, as Colonel Kinne's personal representative and one of the committee of judges passing upon the papers, I attended the meeting when the cup was awarded. It would be difficult to tell you, as it was to tell Colonel Kinne, the impression which it made to stand and look in the faces of those youngsters. What it meant to offer the prize, what it meant to earn it, and what it meant to the fifty men who had not tried for it we cannot tell. The good lasted. But we, his friends, are not willing that the tide shall do other than bring his cup back again to him. On one side of the loving cup which I hold up before you, is inscribed the name of the recipient and a record of the resolutions which have been read aloud in your hearing tonight. On the other side, which faces you, there is the design which has appeared on our proceedings and programs for many years. We offer this to you, Colonel Kinne, as a token between us—the

Association and you—that you will ever have a cordial welcome at all of our proceedings, and that a place shall be set for you at this board as long as you shall live. (Great applause.)

Colonel Kinne—Mr. President, and members of the Fire Underwriters' Association of the Pacific: There are so many conflicting emotions in my heart, that you will surely pardon me if I do not express myself as I should. Our worthy President told me, I think it was last Saturday, that he wanted me to sit up here at this table, and probably I would be called on for a few remarks. I understood that to mean than I was to be where I am tonight, and he knew it, as the dean of the insurance fraternity present. Nearly forty-six years have I been in this business, which now has been very properly stated to be practically a profession. There are many incidents in life that one can remember, but there are few of what you might call episodes. And if I had that splendid method of putting things before you that Brother Shiveley has, or the dignified diction of a Dutton, or the air and the manner in which Osborn and Thornton and Folger have talked to me tonight, yet you would not blame me if I could not say a word.

I know this expression comes from you heartily. There is no funny business in it. You mean it, and I accept it thankfully in that manner.

There are two or three things in my life, as I am leaving the business of insurance now, and retiring, as the home office at Liverpool says, under well earned retirement, that possibly it may be of some gratification and perhaps information to you if I should narrate them.

Fifty-three years ago this month, I left New York with twenty swarms of bees. You may not know it, but there was not a honey bee in the State of California until I brought them here. That, I say, was fifty-three years ago. The good Lord had furnished plenty of sunshine and flowers and things that the bees like to live on, but there was not a honey bee here. I brought them

down across the isthmus, and brought them up here and took them down to San Jose, and to show that I am not joking about it, I sold four swarms of bees for $500 gold.

The allusion made by Mr. Folger to the flag and myself recalls another episode. After the Civil War broke out, I was here, and I thought it would be very well for me to help settle things, so I left $150 a month in gold to enlist for $13 in greenbacks, went East, across the same isthmus, and stayed there, participating in several little matters until the surrender of Lee, where I was. Of course I took part in it, and I suppose the war would have been going on yet if I had not been there. However, I got out of it with some bullet scars and several commissions, one being signed by President Lincoln. These are two episodes that appealed to me as having tried to do something that would help somebody else.

On my return to California, by mere chance, nearly forty-six years ago, I dropped into the insurance business—it will be forty-six years on the first of May. Then an accident occurred in Chicago. I drifted from the Pacific Insurance Company into the Liverpool & London & Globe as its re-insuring company, and I have been over forty years with them. I have always insisted that right was right, and that nobody could do wrong without being ashamed of himself. And right here is another Kinne Rule that you can bear in mind always in our profession, and that is, "Never take a risk today that you would be ashamed of if it burned tomorrow." (Applause.)

Now Mr. President and comrades—I call you comrades—we come to the parting of our ways. (Cries of no, no.) In a certain sense, yes. We come to the parting of our ways, because I am out, but not down. They have very kindly told me that a retiring allowance will go on for me as long as I live, so I am not worrying about the future. And tonight, the first meeting after my retirement, is the time when I feel like saying, not "Good-bye," but words that mean simply "Au revoir."

It is rather a peculiar day to me. This morning I attended the funeral of an old comrade, shipping his remains from the Folsom street wharf over to Tahiti. This afternoon I was a pall-bearer at the funeral of an old friend, a man with whom I used to room here fifty-two years ago, Mr. Benedict. And now, tonight, if it was not for this, I would feel almost that there was another funeral. But I will not say that. The kind words expressed in these beautifully engrossed resolutions, contained in this richly bound book of parchment, having the signatures of those I have known so long and well, so entirely unexpected, and this testimonial loving cup of your regard for me, is such that I shall treasure them as long as I live.

I just want to say another word, and it is this: That if it had not been for the tuition of Tom Grant in the old Pacific Insurance Company, where we were together, if it had not been for the incentive and the friction with Uncle Billy Sexton, when we had to argue things out and he would point out where I was wrong, and I point out where he was wrong, there never would have been such a thing as the Kinne Rule. Now, to all of the members of the insurance fraternity here, I would simply say this: that in all my endeavors, it was to harmonize matters, so that no one should get, or try to get, the best of another. And if I am leaving the insurance business a little better than I found it, I am glad of it. (Great applause.)

TO THE ASSOCIATION.

(Air—"Stein Song")

(Sung first by quartet; all join in second time.)

Here's a toast to the Association,
The old F. U. A. P.
May it prosper in this Nation,
Full of truth and honesty,
Let us all, then, work together,
In sunshine or wet weather,
With good will toward each other
With a loud and ringing cheer!
Let us all, then, work together,
In sunshine or wet weather,
With good will toward each other
With a loud and ringing cheer!

TO TIEDEMANN.

I

(Air—"Alexander's Rag-Time Band")

(All join in choruses after quartet has sung each part through.)

Oh, did you hear! Oh, did you hear!
What Tiedee had to say,
And are you "on," and are you "on,"
To his meaning all the way,
He has got the biggest heart, he's a man we all adore,
Got the finest crowd that you ever, ever saw,
Right in the bestest town what am,
Uncle Sam,
Come on along, Come on along,
He will take you by the hand,
He is the man. Oh, Tiedemann!
The best one in the land,
And if you care to hear a Chinese
Story played in rag-time
Come on and hear! Come on and hear!
Old Tiedee's rag time band.

II

(Air—"Billy")

And when we sing, we always sing of Tiedee,
For he's our loyal President,
And when we talk we always talk to Tiedee
And think the hours are well spent,
And when we drink we always drink to Tiedee,
And may his premiums increase,
With losses light
Expenses slight
And may he have a New Year bright.

III

(Air—"What's the Matter with Father")

What's the matter with Tiedee, he's all right,
What's it matter if Tiedee's proud tonight,
To-morrow morn he will go to work
Just like us and slave like a Turk;
What's the matter with Tiedee, he's all right.

THE PANAMA-PACIFIC EXPOSITION.

Words by George Francis Douglas

(Air—"Marching Through Georgia")

Here's to San Francisco, let us toast her in a song,
Sing it with a spirit that will start the World along,
Tramping to the city that will be a million strong,
When we hold our wond'rous Exposition.

CHORUS.

Hurrah! Hurrah! let every booster cheer,
Hurrah! Hurrah! and louder every year,
Give the World a welcome that will bring the millions here
To the Panama-Pacific Exposition.

Here's a health to those who fought the battle of the site,
San Franciscans they knew how to cinch a Congress fight,
Proving plainly that it was the Western city's right,
To the Panama-Pacific Exposition.

CHORUS.

And while the Fair is building boys don't forget that you
Each must do his uttermost—never miss a cue
To boost to all the universe the things that we will do
At the Panama-Pacific Exposition.

CHORUS.

All the arts and all the crafts, we'll have them every one,
Things before but dreamed of they will here be surely done,
We can bed and board a million, every mother's son,
At the Panama-Pacific Exposition.

CHORUS.

When the gates are opened and the banners are unfurled,
And the City's golden crown with glory is impearled,
San Francisco will be in the spotlight of the World,
At the Panama-Pacific Exposition.

CHORUS.

When the millions marvel at the sights that they will see,
Point them to our future that will even greater be,
Boosting San Francisco's golden opportunity,
At the Panama-Pacific Exposition.

CHORUS.

"Superior abilities are acquired by long application"

The Fire Underwriters Association of the Pacific is the outgrowth of the Virginia City, Nevada, fire of October, 1875.

October 28th thirty-four Adjusters held a meeting in a *palace car*, our lodging house—Mr. B. F. Low Chairman and J. W. Staples Secretary—to select committees to handle the losses.

November 13th this organization was decided on and L. L. Bromwell, H. H. Bigelow and J. R. Garniss were appointed a committee to draft a constitution and by-laws.

This committee reported in San Francisco February 23, 1876, and the dinner is the result of thirty-five years good work.

Of the twenty-nine charter members of February 23, 1876, there are in the land of the living:

R. G. Brush,	E. E. Potter,
Robt. Dickson,	Wm. Sexton,
William Macdonald,	A. D. Smith,
R. H. Magill,	H. W. Snow.

MENU

Seapuit Oysters

Riesling
Hotel St. Francis
White Seal

Strained Chicken Gumbo, Princess

Celery Ripe Olives Salted Almonds

Filet of Bass, Troubillaise

Claret
Hotel St. Francis
Red Seal

Saddle of Lamb, Colbert

Peas aux fines herbes

Potato, chateau

Sorbet au Champagne

Imperial Squab au Cresson

Salade de Saison

Champagne
Louis Roederer

Fancy Ice Cream

Mignardises

Coffee

Instrumental Music - - Franz Mayer's Orchestra
Vocal Music - - - Metropolitan Male Quartette

"The clock of the tongue should be set by the dial of the heart"

IN MEMORIAM

MAJOR HARVEY BROWNSON SMITH

Again the year rolls around and again the man with the scythe cuts down the ripened members.

This time we are called upon to mourn the departure from this life of our brother, Major Harvey Brownson Smith, who passed away at Butte, Montana, on the fourth day of May, 1911.

Major Smith was born in Broome County, N. Y., Dec. 13th, 1833. Commenced active life by teaching school; later he went South where he was engaged in handling grain, cotton and other products of that country.

In the Civil War he went with his adopted State, serving under General Joe Johnson and other celebrated leaders, and went out on the surrender of General Lee, with the well earned rank of Major.

In 1872 he engaged in local insurance in St. Louis, Mo.

In 1878 he went to Montana, partly by rail and partly by ox team, engaged in mining for a while, and in about 1880 joined S. C. Ashly in a fire insurance agency.

He was Special Agent for the California, and in 1888 went to work as Independent Adjuster at Dallas, Texas.

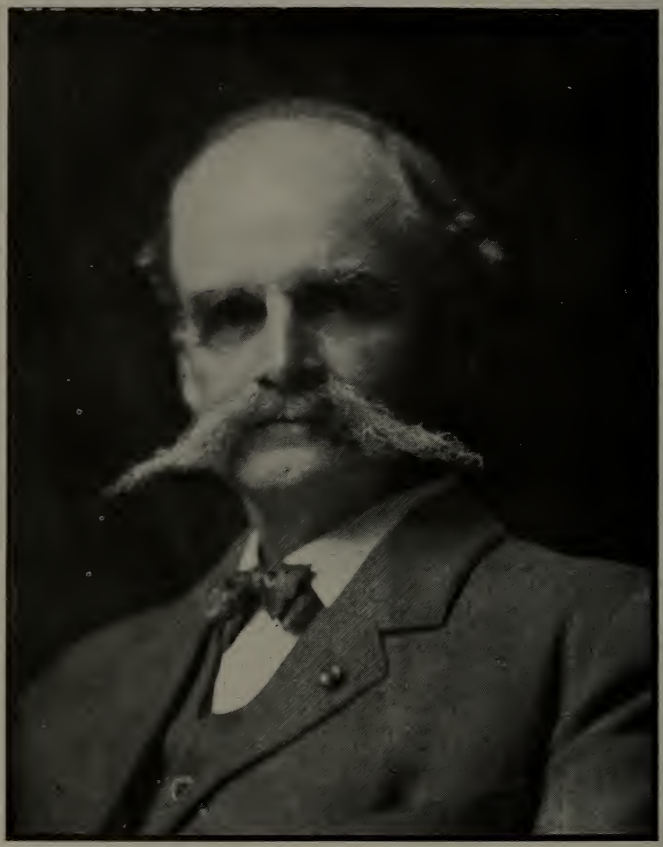
In 1900 he returned to Montana on account of his health, opened an office as Independant Adjuster at Butte and continued in that business until he passed away.

The Major was a man of the West, a conscientious, hard working, kindly man; was a leader and an authority in his profession. Every insurance man had a good word for him and his place will not be easily filled.

He was married to Miss Elvira Woolridge in 1867, who departed this life in 1878, leaving three children, one daughter and two sons, one of his sons is a member of the firm of Wilson & Smith Co., Real Estate and Insurance, at Butte, Montana.

By the death of Major Smith the Association loses a loyal member, the insurance fraternity loses a man and a gentleman who was a credit to the profession, and one and all we miss the manly grasp of the hand of our friend, Major Smith.

WM. SEXTON,
J. L. FULLER,
BENJ. J. SMITH. } COMMITTEE.



COLONEL WILLIAM RENWICK SMEDBERG

COLONEL WILLIAM RENWICK SMEDBERG

The grim reaper has again invaded our ranks and we are called upon to record the death of Colonel William Renwick Smedberg, who departed this life on July 19th, 1911, at San Rafael, California, after a brief illness.

While reference to his military career may seem irrelevant to the subject of his membership in a purely civil association, yet to ignore such an honorable record would be a manifest injustice to his memory and to those who by the ties of kinship are left to mourn his loss.

Colonel Smedberg was born in the City of New York on March 19th, 1839. He joined the justly celebrated 7th New York Infantry, National Guard, in 1859-60. On May 4th, 1861, he was 1st Lieutenant of the 14th U. S. Infantry, and thereafter passed through various grades of promotion, until May 5th, 1860 when he was Breveted Lieutenant Colonel for conspicuous gallantry on the field of battle. He lost his right foot in the battle of the Wilderness, Virginia, an affliction which he bore unflinchingly for nearly fifty years. He was retired from the service in 1870. Following his retirement he chose San Francisco as his future home and adopted the business of Insurance as a vocation, which pursuit he followed to the time of his death.

He also became a conspicuous figure in the California State National Guard as Inspector General with rank of Lieutenant Colonel, 1874; Major Inspector, 2nd Brigade, November, 1875, and Colonel 2nd Artillery 1876. He was also Past Commander of the California Commandery of the Military Order of The Loyal Legion of the United States and Recorder of the Commandery from its inception. Was also Department Commander of the Grand Army of the Republic in 1886.

Colonel Smedberg was a familiar figure in insurance circles in San Francisco for forty years, during which time he enjoyed the fullest confidence and esteem of insurance companies, their managers and the insuring public. He joined this Association in 1877, and was a member in good standing at the time of his death.

A gentleman of the old school, true to every relation in life, kind and considerate of the rights of others and generous to a fault in giving material aid and encouragement to those who were less fortunate than himself. A gallant and distinguished soldier of the Republic, an ardent patriot and a highly esteemed citizen and business associate has gone to his final rest. REQUIESCAT IN PACE.

Resolved: That in the death of Colonel W. R. Smedberg, this Association has lost a highly esteemed member and an honored associate, and we hereby extend our sincere sympathies to those of his immediate family who are left to mourn his loss.

CHAS. CHRISTENSEN,
L. B. EDWARDS,
LOUIS WEINMANN.

JAMES D. BAILEY

With sorrow we announce the death of another of our members, James D. Bailey, who passed away on February 6th, 1911, after forty-five years of active and conscientious work in this city in the prosecution of his profession as a fire underwriter.

During his entire experience, covering the longest term of constant service thus far recorded of any deceased California underwriter, Mr. Bailey's faithful and unostentatious adherance to duty, earned him the high respect and regard of all his fellow underwriters.

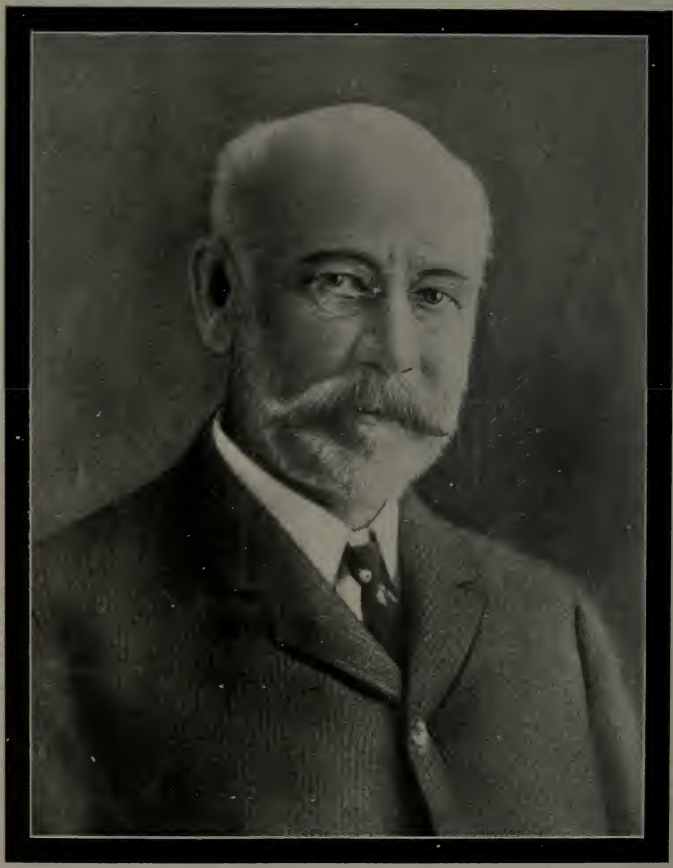
A naturally vigorous constitution rendered hardy by early out-of-door life fitted him to contend against the ordinary ravages of time, and it was doubtless the aftermath of our earthquake and great conflagration which was the final cause of his passing to the Great Beyond.

James D. Bailey was born in Boston, Mass., in July, 1839, and after having enjoyed the full span allotted as human life, died honored and regretted by not only his associates in the business, but a large circle of friends.

H. R. MANN,
WM. J. DUTTON,
CHAS. D. HAVEN, } COMMITTEE.



JAMES D. BAILEY



JOSEPH JAMES KENNY

JOSEPH JAMES KENNY

The Fire Underwriters Association of the Pacific, deeply sensible of the loss it has sustained in the death of a beloved member, desires to permanently record its appreciation of the high character and sterling worth of its late associate.

Wise in council, temperate in action, standing firmly for the right, as he saw the right, and most generous in his consideration of the opinions and feelings of others; the death of Joseph J. Kenny brings a distinct sense of personal bereavement to the members of this Association to whom he had become endeared in the business and social relationship of life.

The Fire Underwriters Association of the Pacific expresses to the widow and family of its late associate, a most sincere sympathy.

WASHINGTON IRVING, Chairman
GEO. W. DORNIN,
E. C. MORRISON.

DAVID BARTON WILSON

A gentle flicker of the light and then its beams were no more. So passed the spirit of David Barton Wilson, leaving the memory of a rugged mind, well stored with a wealth of knowledge.

Well we knew him, and many were the days of comradeship in which congenial spirits in piquant converse paid homage to the theme.

Kindly, yet forceful; firm, but yielding; knowing, yet gracious to him who had counter opinions.

Ever ready to give counsel, to help a friend and to do a duty. Strong in honor, quick in conscience, and yet with enough of human infirmity to be most companionable.

What an achievement in the battle of life! Can we say more? Nay, and more would be but fulsome praise, to which he would be first in protest.

In the passing of friend Wilson we list not to the tolling of the bell nor a requiem chant, but rather halt the tears, that we may indulge in sweet reveries of the past.

ROLLA V. WATT,
ARTHUR M. BROWN,
R. W. ORBORN.



DAVID BARTON WILSON

CHARTER MEMBERS

Of the Fire Underwriters' Association of the Pacific

Organized February 23, 1876

*Bailey, Jas. D., General Agent, Union Insurance Co.
*Barney, E. T., General Agent, California Insurance Co.
*Bigelow, H. H., General Agent, Home Mutual Insurance Co.
Brush, R. G., City Agent, State Investment & Insurance Co.
*Brown, Edw., General Agent, Faneuil Hall & Lycoming Insurance Cos.
*Bromwell, L. L., Special Agent, Phoenix and Home Insurance Cos.
*Bryant, A. J., President State Investment & Insurance Co.
*Callingham, Wm. J., General Agent, Royal Canadian Insurance Co.
*Clark, Z. P., Agent, German-American Insurance Co.
*Dick, B. C., Agent, Kansas Insurance Co.
Dickson, Robt., Manager, Imperial, Northern & Queen Insurance Co.
*Doolan, Wm., Special Agent, State Investment & Insurance Co.
*Dornin, Geo. D., Secretary, Fireman's Fund Insurance Co.
*Garniss, J. R., Adjuster.
*Grant, Geo. F., Special Agent, North British & Mercantile Insurance Co.
*Gunnison, A. R., Special Agent, Commercial Insurance Co. of California.
*Hart, J. W., Agent, Scottish Commercial Insurance Co.
*Houghton, J. F., President Home Mutual Insurance Co.
*Landers, Wm. J., Manager, San Francisco Agency, Guardian Assurance Co.
*Lowe, B. F., Adjuster.
Macdonald, William, Surveyor, Board of Fire Underwriters.
Magill, R. H., General Agent, Home Mutual Insurance Co.
Potter, E. E., of Potter, Jacobs & Easton, General Agents.
Sexton, Wm., Special Agent, Fireman's Fund Insurance Co.
Smith, A. D., General Agent, Northwestern, Amazon & Fairfield Insurance Cos.
*Smith, Henry, Special Agent, Liverpool & London & Globe Insurance Co.
Snow, H. W., Special Agent, Commercial Union Assurance Co.
*Spencer, Geo. W., Special Agent Ætna Insurance Co.
*Staples, J. W., Adjuster.

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*Deceased.

OFFICERS AND COMMITTEES.

List of Officers and Committees of the Fire Underwriters' Association of the Pacific since organization:

Year.	President.	Vice-President.	Sec.-Treas.
1876	*Benjamin F. Low	*Henry H. Bigelow	*John W. Staples
1877	*George D. Dornin	*Wm. L. Chalmers	*John W. Staples
1878	*Augustus P. Flint	*Edward Brown	*John W. Staples
1879	*Caspar T. Hopkin	Andrew D. Smith	*John W. Staples
1880	*Geo. W. Spencer	*E. W. Carpenter	*John W. Staples
1881	*L. L. Bromwell	*Geo. F. Grant	*John W. Staples
1882	*George F. Grant	*E. W. Carpenter	*John W. Staples
1883	*E. W. Carpenter	William Sexton	*Robert H. Naunton
1884	William Sexton	C. Mason Kinne	*C. P. Farnfield
1885	C. Mason Kinne	*Zenas P. Clark	*Robert H. Naunton
1886	*Zenas P. Clark	*John W. Staples	*Robert H. Naunton
1887	*John W. Staples	*Wm. L. Chalmers	Bernard Faymonville
1888	*Wm. L. Chalmers	L. B. Edwards	Bernard Faymonville
1889	L. B. Edwards	*Wm. J. Callingham	Thomas W. Fenn
1890	B. Faymonville	Wm. H. Lowden	*Robert H. Naunton
1891	Wm. H. Lowden	Henry M. Grant	George H. Tyson
1892	Henry M. Grant	Stephen D. Ives	Edward Niles
1893	Stephen D. Ives	Rolla V. Watt	Russell W. Osborn
1894	Rolla V. Watt	V. Carus Driffield	Russell W. Osborn
1895	V. Carus Driffield	Herbert Folger	Louis Weinmann
1896	Herbert Folger	R. W. Osborn	Louis Weinmann
1897	R. W. Osborn	Edward Niles	Calvert Meade
1898	Louis Weinmann	Louis Weinmann	Calvert Meade
1899	Edward Niles	Frank J. Devlin	Calvert Meade
1900	Frank J. Devlin	Geo. W. Dornin	Calvert Meade
1901	Geo. W. Dornin	Wm. H. Gibbons	Calvert Meade
1902	Wm. H. Gibbons	Whitney Palache	Calvert Meade
1903	Whitney Palache	Jacob L. Fuller	Calvert Meade
1904	Jacob L. Fuller	A. W. Thornton	Calvert Meade
1905	A. W. Thornton	F. B. Kellam	Calvert Meade
1906	F. B. Kellam	Arthur M. Brown	Calvert Meade
1907	Arthur M. Brown	John W. Gunn	Calvert Meade
1908	J. W. Gunn	A. Gilliland	Calvert Meade
1909	Adam Gilliland	F. C. Staniford	Calvert Meade
1910	Frank C. Staniford	T. J. A. Tiedemann	Calvert Meade
1911	T. J. A. Tiedemann	F. J. Alex Mayer	Calvert Meade

*Deceased.

EXECUTIVE COMMITTEE.

1876	*L. L. Bromwell	*James R. Garniss	*George F. Grant
1877	*Edward Brown	*William J. Landers	Andrew D. Smith
1878	Andrew D. Smith	*Oliver H. Cole	*George W. Spencer
1879	*Augustus P. Flint	William Macdonald	*Albert R. Gunnison
1880	*George F. Grant	*Edward Brown	*Oliver H. Cole
1881	*George W. Spencer	*E. W. Carpenter	C. Mason Kinne
1882	Thomas E. Pope	Andrew D. Smith	*Thomas A. Mitchell
1883	*George F. Grant	Harvey W. Snow	Oliver Hawes
1884	*George F. Grant	Harvey W. Snow	Oliver Hawes
1885	*George F. Grant	Harvey W. Snow	Oliver Hawes
1886	*H. K. Belden	*George F. Ashton	Calvert Meade
1887	*H. K. Belden	*George F. Ashton	Calvert Meade
1888	*W. J. Callingham	George C. Pratt	Rolla V. Watt
1889	B. Faymonville	Wm. H. Lowden	*Henry K. Belden
1890	*H. K. Belden	*George Easton	Henry M. Grant
1891	*H. K. Belden	*George Easton	Alfred Stillman
1892	Alfred Stillman	*George Easton	V. Carus Driffield
1893	V. C. Driffield	Wm. H. Lowden	William Sexton
1894	Herbert Folger	Franz Jacoby	Jas. H. De Veuve
1895	R. W. Osborn	Frank J. Devlin	John T. Fogarty
1896	Frank J. Devlin	George W. Dornin	Whitney Palache
1897	*Frank G. Argall	Edward Niles	Robert P. Fabj
1898	Whitney Palache	*Wm. H. Bagley	Leslie A. Wright
1899	John T. Fogarty	*Alfred R. Grimm	Whitney Palache
1900	Edward Niles	Wm. H. Lowden	Russell W. Osborn
1901	Frank J. Devlin	Rolla V. Watt	William Sexton
1902	George W. Dornin	Herbert Folger	Louis Weinmann
1903	W. H. Gibbons	Herbert Folger	Louis Weinmann
1904	Whitney Palache	W. H. Gibbons	George W. Dornin
1905	J. L. Fuller	A. W. Thornton	W. H. Gibbons
		Whitney Palache	George W. Dornin
1906	A. W. Thornton	F. B. Kellam	R. W. Osborn
		Louis Weinmann	Herbert Folger
1907	F. B. Kellam	Arthur M. Brown	Herbert Folger
		W. H. Gibbons	J. L. Fuller
1908	Arthur M. Brown	John W. Gunn	Frank J. Devlin
		J. L. Fuller	Russell W. Osborn
1909	John W. Gunn	Adam Gilliland	F. B. Kellam
		Geo. W. Dornin	W. H. Gibbons
1910	Adam Gilliland	Louis Weinmann	A. W. Thornton
		Frank C. Staniford	Rolla V. Watt
1911	Frank C. Staniford	T. J. A. Tiedemann	William Sexton
		R. W. Osborn	J. W. Gunn
1912	T. J. A. Tiedemann	F. B. Kellam	Herbert Folger
		A. M. Brown	Louis Weinmann

*Deceased.

CALIFORNIA KNAPSACK.

1879	Charles Mason Kinne, Editor	W. Macdonald, Associate Editor
1880	Charles Mason Kinne, Editor	
1881	Charles Mason Kinne, Editor	*G. F. Grant, Associate Editor
1882	Charles Mason Kinne, Editor	
1883	Charles Mason Kinne, Editor	
1884	Charles Mason Kinne, Editor	
1885	*George F. Grant, Editor	
1886	*George F. Grant, Editor	
1887	*Edwin W. Carpenter, Editor	
1888	*Alexander J. Wetzlar, Editor	
1889	*Alexander J. Wetzlar, Editor	
1890	*George F. Grant, Editor	
1891	*George F. Grant, Editor	
1892	*George F. Grant, Editor	
1893	*George F. Grant, Editor	
1894	*George F. Grant, Editor	Edward Niles, Associate Editor
1895	*George F. Grant, Editor	Edward Niles, Associate Editor
1896	*George F. Grant, Editor	Edward Niles, Associate Editor
1897	*George F. Grant Editor	Edward Niles, Associate Editor
1898	*George F. Grant, Editor	Edward Niles, Associate Editor
1899	*George F. Grant, Editor	Edward Niles, Associate Editor
1900	*George F. Grant, Editor	Edward Niles, Associate Editor
1901	*George F. Grant, Editor	Edward Niles, Associate Editor
1902	*George F. Grant, Editor	Edward Niles, Associate Editor
1903	*George F. Grant, Editor	Edward Niles, Assoctate Editor
1904	*George F. Grant, Editor	Edward Niles, Associate Editor
1905	*George F. Grant, Editor	Edward Niles, Associate Editor
1906	*George F. Grant, Editor	Edward Niles, Associate Editor
1907	A. W. Thornton and A. C. Thornton, Associate Editors	
1908	A. W. Thornton and A. C. Thornton, Associate Editors	
1909	A. W. Thornton and A. C. Thornton, Associate Editors	
1910	A W. Thornton and A. C. Thornton, Associate Editors	
1911	A. C. Thornton and G. A. R. Heuer, Associate Editors	
1912	A. C. Thornton and G. A. R. Heuer, Associate Editors	

DINNER COMMITTEE.

†(From first banquet in 1881 to 1908)

	†*George W. Spencer	*George F. Grant
1908	*George W. Spencer	C. Mason Kinne
1909	C. Mason Kinne	E. C. Morrison
1910	Dixwell Hewitt	W. B. Hopkins
1911	H. P. Blanchard	W. O. Wayman
1912	H. P. Blanchard	W. O. Wayman

*Deceased.

LIST OF MEMBERS

ACTIVE MEMBERS.

Agnew, F J, Special Agent, Pennsylvania Fire Insurance Company
Allan, C E, Independent Adjuster, San Francisco
Alverson, W W, Assistant Manager, Associated Underwriters
Anderson, A C, Special Agent, New York Underwriters
Anderson, C H, Special Agent, Springfield Insurance Company
Anderson, J McC, Res. Secretary, North British & Mercantile Ins. Co.
Ankele, J H, General Agent, International Fire Insurance Company
Archer, R T, Independent Adjuster, Los Angeles, Cal.
Atkins, F E, Special Agent, Liverpool & London & Globe Insurance Company
Austin, J E, Independent Adjuster, Seattle, Wash.
Avery, Frank M, Manager, Fire Association and Philadelphia Underwriters Insurance Companies
Barsotti, Chas L, Special Agent, Fire Association
Bailey, A E, Special Agent, New York Underwriters
Bangs, Franklin, Secretary Home F. & M. Insurance Company
Banks, J H, Special Agent, Royal and Queen Insurance Companies
Bates, H L A, Assistant Manager, Commercial Union Assurance Co.
Benner, Harry, Superintendent of Agents, German-American, Phoenix, Protectors and German Alliance Insurance Companies
Bertheau, C, of Bertheau, Selbach & Bertheau Ins. Agency
Blanchard, H P, Assistant Secretary, Fireman's Fund Insurance Co
Boyd, R T, Special Agent, London and Niagara Insurance Companies
Boyer, Z M, Special Agent, Michigan Commercial Insurance Company
Branch, F M, Superintendent of Agencies, New York Underwriters
Breeding, W H, Special Agent, Aetna Insurance Company
Brodenstein, E M, Special Agent, Law Union & Rock
Brooks, Geo W, Secretary California Insurance Company
Broomell, B B, Special Agent and Adjuster, Tacoma, Wash.
Brown, A M, of Edward Brown & Sons, General Agents, Svea, Agricultural and Globe & Rutgers Insurance Companies
Brown, H H, of Edward Brown & Sons
Brush, R G Special Agent, Liverpool & London & Globe Ins. Co.
Burger, C H, with Western Assurance Company

Burke, H R, Special Agent, Royal and Queen Insurance Companies
Buswell, H C R, Supt. of Agencies, California Insurance Company
Burwell, W T, Special Agent, Geo H Tyson's Agency
Caine, E P, with Wayman and Henry General Agency
Cassell, W P, Secretary, International Fire Ins. Co.
Christensen, Chas, of Christensen & Goodwin, Managers, American Central, St. Paul and Mercantile Insurance Companies
Chapuis, F A
Chapman, A J, of Chapman & Nauman, General Agents, American Union Fire Insurance Company
Cobb, James F, Manager, Dixie Fire Insurance Company
Cleveland, W W, Special Agent, Wayman and Henry General Agency
Codding, Geo C, Special Agent, Springfield F & M Insurance Company
Coffey, W P, Special Agent, Fireman's Fund Insurance Company
Conroy, T J, of Conroy & Olds, Managers, Caledonian and Aachen & Munich Insurance Companies
Conly, Clifford, with Geo H Tyson's Agency
Cosgrove, J E, Special Agent, Catton, Bell & Co. Agency
Crandall, J E, Special Agent, Springfield F. & M. Insurance Company
Crux, Geo A, Assistant Manager, Caledonian Insurance Company
Curtis, J F D, Manager, Providence-Washington Insurance Company
Danker, H, with J H Ankele General Agency
Davis, A G, Special Agent, E E Potter's Agency
Davies, Arthur P, with Edward Brown & Sons
Dearborn, G W, Special Agent, Wayman and Henry Agency
DeLappe, R Special Agent, American Central, St. Paul and Mercantile Insurance Companies
Dennis, Jas J, Special Agent, Hartford Fire Insurance Company
Dennis, Wm, Special Agent, Hartford Fire Insurance Company
Devlin, Frank J, Manager, Atlas and Atlas-Manchester Assurance Cos.
Devine, Geo E, Special Agent, Hartford Fire Insurance Company
DeVeuve, Clarence, General Agent, Dubuque F. & M. Insurance Company
Dibble, L L, Special Agent, Christensen & Goodwin Agency
Dinsmore, H M, Special Agent, Geo H Tyson's Agency
Dollard, Robert E, Special Agent, Hartford Fire Insurance Company
Dornin, Geo W, Manager, Springfield F & M Insurance Company
Dornin, John C, Assistant Manager, Springfield F & M Insurance Co.
Drennen, Wm A, Metropolitan Manager, National Union Fire Ins. Co.
Dutton, W J, President, Fireman's Fund Insurance Company
Dutton, Grayson, Special Agent, Fireman's Fund Insurance Company

Eitel, Edw E, Independent Adjuster, San Francisco
Eldred, E P, Special Agent, Royal and Queen Insurance Companies
Elster, F H, Special Agent, Atlas Assurance Company
Emerick, F L, Special Agent, Washington Fire Insurance Company
Emery, R D, Special Agent, Christensen & Goodwin General Agency
Fabj, R P, Assistant Manager, Liverpool & London & Globe Ins. Co.
Farnsworth, Ed P, Independent Adjuster, San Francisco
Farr, F H, Special Agent, Royal and Queen Insurance Companies
Faust, M E, Independent Adjuster, Los Angeles, Cal.
Faymonville, Bernard, Vice-President, Fireman's Fund Insurance Co.
Fisher, I M, Special Agent, Norwich Union Fire Insurance Company
Flack, E B, Special Agent, Christensen & Goodwin General Agency
Fogarty, J T, Assistant Manager, Royal and Queen Insurance Companies
Folger, W P, of Hall & Folger, Adjusters, Spokane, Wash.
Folger, Clinton, Joint Manager, New Zealand Insurance Company
Folger, Roy S, Special Agent, Royal and Queen Insurance Companies
Folger, Herbert, Assistant General Agent, German-American, Phoenix, Protector and German Alliance Insurance Companies
Fores, Harry W, General Agent, Scottish Union & National and State Fire Insurance Companies
Fortmann, W G, Special Agent, Caledonian Insurance Company
Francis, Guy, Special Agent, Connecticut Fire Insurance Company
Frazier, W A, Special Agent, Christensen & Goodwin Agency
French, John S, Assistant Secretary, Firemans' Fund Insurance Company
French, C D, Special Agent, Fireman's Fund Insurance Company
Froiseth, Bernard, Special Agent Insurance Company of North America
Fritschi, John B, Special Agent, Christensen & Goodwin Agency
Fuller, J H, Special Agent, Scottish Union and National Insurance Co
Fuller, J L, Assistant Manager, Norwich Union Fire Insurance Society
Gay, J R, Special Agent, Phoenix Assurance Company
Gabrielson, C D, Special Agent, Royal and Queen Insurance Companies
Gallegos, R, Assistant General Agent, Phoenix Assurance Company
Gardiner, T M, Treasurer, Fireman's Fund Insurance Company
Gerould, P E, Special Agent, Sun and Michigan Insurance Companies
Gibbons, W H, Supt. of Agencies, Edward Brown & Sons' Gen'l Agency
Giesy, A W, Special Agent, Norwich Union Fire Insurance Society
Gill, W S, Special Agent, Wayman and Henry General Agency
Gilliland, Adam, Assistant General Agent, Hartford Fire Insurance Co.
Goodwin, Benjamin, of Christensen & Goodwin, Managers, American Central, St. Paul, and Mercantile Insurance Companies

Gordon, Harry F, of Gordon & Hoadley, General Agents, American Insurance Company
Goggin, Gerald E, with London and Niagara Insurance Companies
Gray, George T, Special Agent, Christensen & Goodwin General Agency
Greenwalt, C L, Special Agent, Providence-Washington Ins. Co.
Grant, H M, Independent Adjuster, Portland, Oregon
Griffith, P H, Special Agent, Hartford Fire Insurance Company
Grove, W W, Special Agent, Hartford Fire Insurance Company
Gunn, John W, Manager, Liverpool & London & Globe Insurance Co.

Hale, L M, Special Agent, Edward Brown & Sons' General Agency
Hammond, J J, Special Agent, Fireman's Fund Insurance Company
Hall, O N, Special Agent, Phoenix Assurance Company
Hall, Henry, of Hall & Folger, Independent Adjusters, Spokane, Wash.
Hamilton, J K, Assistant General Agent, Insurance Co. of North America
Harrison, J Hunter, with Insurance Company of North America
Harold, C R, Special Agent, London Assurance Company
Hatcher, J B, Special Agent, Geo H. Tyson's Special Agency
Heuer, Geo F, Special Agent, Commercial Union and Palatine Ins. Cos.
Heuer, G A R, Special Agent, Aetna Insurance Company
Henry, Carl A, of C A Henry and Willard Wayman, General Agents, Sun, Michigan F. & M., Sun, National, Colonial Fire and Mechanics & Traders, Insurance Companies.
Heath, Thomas S, Special Agent, London & Niagara Insurance Cos.
Hewitt, E F, Special Agent, Geo H Tyson's General Agency
Hewitt, Dixwell, of Palache & Hewitt, Genl. Agents, Hartford Fire Ins. Co.
Hildreth, H P, Special Agent, British-America and Western Insurance Co's
Hill, Chas S, Special Agent, Wayman and Henry Agency
Hill, Wm H, Special Agent, Edward Brown & Sons General Agency
Hougaard, J A, Special Agent, North British & Mercantile Insurance Co.
Howard, J C, Special Agent, New York Underwriters
Hoadley, G O, of Gordon & Hoadley, General Agents, American Ins. Co
Hopkins, W B, Special Agent, London & Lancashire Fire Insurance Co.
Houseworth, Harrison, Special agent, Liverpool & London & Globe Insurance Company
Hosmer, F W, with London and Niagara Insurance Companies
Hunter, F L, Resident Manager, Northern Assurance Company
Hunter, R D, Superintendent of Agencies, Fireman's Fund Insurance Co.

Irving, Washington, General Agent, Phoenix Assurance Company
Ives, S D, Vice President, Home F. & M. Insurance Company

Jacoby, Franz, Independent Adjuster, San Francisco

Johnsen, J Edward, Special Agent, London and Niagara Insurance Cos.
Johnston, J C, General Agent, Insurance Company of North America
Jones, A W, Independent Adjuster, Seattle, Washington

Kaltz, Bruce, Special Agent, Wayman and Henry General Agency
Kelly, McClure, Assistant Manager, Franklin Fire Insurance Company
Kellam, F B, Branch Secretary, Royal and Queen Insurance Companies
Kenna, Jas R, Special Agent, Wayman and Henry General Agency
Kinney, C C, Manager, Franklin Fire Insurance Company
Klinger, Wm M, Special Agent, Fireman's Fund Insurance Company
Knowles, E C F, Special Agent, Phoenix Assurance Company
Kuhl, Wm F, Special Agent, Insurance Company of North America

Lamey, H T, Manager Western Assurance and British-America Assurance Companies, Denver, Colorado
Lanagan, F K, Special Agent, Fireman's Fund Insurance Company
Lamping, L F, Oregon State Agent, Royal Exchange Assurance Company
Lathrop, F A, Special Agent, Pennsylvania Fire Insurance Company
Lindsay, A N, Special Agent, California Insurance Company
Lloyd, Independent Adjuster, Portland, Oregon
Lowden, E Kenneth, Special Agent, Norwich Union Fire Insurance Co
Lockey, Richard, Independent Adjuster, Helena, Montana
Lowden, W H, Manager, Norwich Union Fire Insurance Society
Lyndall, Chas P, Special Agent, New Zealand Insurance Company

Macdonald, Wm, of Macdonald & Miles, General Agents, Westchester, Delaware and Camden Insurance Companies
Macdonald, Burns, of Macdonald & Miles, General Agents
Magee, J F, Manager, Associated Underwriters
Mann, H R, Manager, New York Underwriters' Agency
Manning, F J H, Special Agent, Commercial and Palatine Insurance Cos.
Manning, William, Special Agent, Atlas Assurance Company
Main, Geo C, Independent Adjuster, Seattle, Wash.
Mann, H R, Jr., Special Agent, H R Mann & Company
Mason, J R, Independent Adjuster, Seattle, Wash.
Mariner, G S, Special Agent, Norwich Union Fire Insurance Society
Manheim, H S
Mayer, F J Alex, State Agent, Oregon, Fire Association of Philadelphia and Philadelphia Underwriters, President Fire Underwriters of the Pacific
McCarthy, C V, Special Agent, Pennsylvania Fire Insurance Company
McKinley, L M, Special Agent, Law Union & Rock Insurance Company
McKowen, J H, Independent Adjuster, Los Angeles, Cal.

McConnell, A C, Special Agent, Pennsylvania Fire Insurance Company
Meade, Calvert, Independent Adjuster, Secretary Fire Underwriters Association, San Francisco
Medcraft, R C, Manager, Catton, Bell & Company
Mel, Louis, Special Agent, Aetna Insurance Company
Mendell, Geo H, Jr.
Mendell, Jno M, Special Agent, London and Niagara Insurance Companies
Mesick, S P, Superintendent of Agencies, Pennsylvania Fire Insurance Co.
Miles, D E, of Macdonald & Miles, General Agents, Westchester, Delaware and Camden Insurance Companies
Miller, Chas E, Special Agent, Hartford Fire Insurance Company
Miller, W L W, Assistant Manager, British-America and Western Assurance Companies
Morgan, E C, Special Agent, Providence-Washington Insurance Company
Morgan, W O, Special Agent, Hartford Fire Insurance Company
Morrison, E C, General Agent, Aetna Insurance Company
Morrow, J H, Special Agent, Commercial Union Assurance Company
Murphy, Joseph A, Special Agent, Aetna Insurance Company
Myrick, C S, Special Agent, Liverpool & London Globe Ins. Co.
Nauman, H A, General Agent, American Union Fire Insurance Company
Nelson, Noah L, Special Agent, Law Union & Rock Insurance Company
Niebling, E T, Manager, Commercial Union and Palatine Insurance Cos.
Nippert, Paul M, General Agent
Normond, P A, Special Agent, Home Insurance Company
O'Brien, H E, Special Agent, Aetna Insurance Company
O'Brien, J T, Special Agent, Royal and Queen Insurance Companies
O'Grady, T F, Special Agent Pennsylvania Fire Insurance Company
Olney, P de S
Osborn, R W, Manager, Pennsylvania Fire Insurance Company
Palache, Whitney, of Palache & Hewitt, General Agents, Hartford Fire Insurance Company
Parker, D A, Special Agent, New Zealand Insurance Company
Parkhurst, H E, Special Agent, Commercial Union Assurance Company
Parrish, Edwin, Joint Manager, London and Niagara Insurance Companies
Partridge, F E, Independent Adjuster, Spokane, Wash.
Parmentier, C R, Special Agent, Christensen & Goodwin General Agency
Patterson, W M, Special Agent, Union Assurance Company
Penfield, A J, with Atlas Assurance Company
Penfield B L, Special Agent, H R Mann's Insurance Agency

Perry, F J, Special Agent, Royal and Queen Insurance Companies
Perry, Percy J, Special Agent, Geo H Tyson's General Agency
Pierce, D W
Porep, Walter P, Special Agent, Edward Brown & Sons General Agency
Potter, E E, Manager, E E Potter's General Insurance Agency
Potter, W W, Assistant Manager, E E Potter's General Insurance Agency
Potter, E G, Special Agent, E E Potter's General Insurance Agency
Prinsen, John A, General Agent, Prussian National Insurance Company, Los Angeles, Cal.

Quick, J R, Special Agent, Fireman's Fund Insurance Company
Quitzow, V H, Special Agent, Pennsylvania Fire Insurance Company
Quitzow, Chas, Special Agent, Home Insurance Company

Randall, H W, Special Agent, Christensen & Goodwin Agency
Raymond, W H, Special Agent, Liverpool & London & Globe Ins. Co.
Reed, James S, Special Agent, Connecticut Fire Ins. Co.
Richards, J H, Special Agent, German and Spring Garden Insurance Cos.
Rohrer, C W, Special Agent, London and Niagara Insurance Company
Roberts, Geo F, Special Agent, Phoenix Assurance Company
Robins, F C H, Special Agent, Northern Assurance Company
Rountree, R H, Special Agent, Liv. & London & Globe Insurance Co.
Rowe, E A, Special Agent, Wayman and Henry General Agency
Robins, L H, Special Agent, California Insurance Company

Sabin, H W, Special Agent, Atlas Assurance Company
Sanderson, A G, Assistant General Agent, Aetna Insurance Company
Schoenemann, F J, Special Agent, North British & Mercantile Ins. Co.
Sexton, Wm, General Adjuster, Fireman's Fund Insurance Company
Shankland, T C, Independent Adjuster, Portland, Oregon
Sheahan, J J, Assistant General Agent, Home Insurance Company
Sherrard, McKee, Special Agent, Fireman's Fund Insurance Company
Sifford, B A, Special Agent, California Insurance Company
Simmen, Samuel, Special Agent, Fireman's Fund Insurance Company
Smith, Benj J, Manager, Connecticut Fire Insurance Company
Smith, H H, Manager, Law Union & Rock Insurance Company
Smith, Roderick E, Special Agent, London & Niagara Insurance Co.
Smith, C W
Smith, Geo O, Special Agent, Insurance Company North America
Spaulding, M E, Special Agent, Hartford Fire Insurance Company
Speyer, Walter M, Joint Manager, New Zealand Insurance Company
Staniford, F C, Special Agent, Norwich Union Fire Insurance Society

Stewart, D L, Special Agent, Royal and Queen Insurance Companies
Stewart, Neil, Special Agent, London and Niagara Fire Insurance Cos.
Stich, R G, Special Agent
Stovel, C J, Manager, Sovereign Fire Assurance Company
Stoy, Samuel B, Special Agent, London & Lancashire Insurance Company
Staniford, Geo F, Special Agent, Fire Association of Philadelphia
Swan, Geo W, Special Agent, Commercial Union and Palatine Ins. Co's.
Swift, C A, Special Agent, Fireman's Fund Insurance Company

Thompson, Chas R, Special Agent, Fireman's Fund Insurance Company
Thomson, M H, Asst. General Agent, National, Colonial Fire Underwriters and Mechanics & Traders, Sun and Michigan F &. M. Ins. Cos.
Thornton, A W, Joint Manager, London and Niagara Insurance Cos.
Thornton, A C, General Agent, Prussian National Insurance Company
Thompson, E R, Special Agent, H. R. Mann's Insurance Agency
Tiedemann, T J A, General Agent, Michigan Commercial Insurance Co., Franklin Insurance Co., and Chairman of Executive Committee of Fire Underwriters' Association of the Pacific
Tickner, H B, Special Agent, Fireman's Fund Insurance Company
Tomlinson, Percy, Special Agent, Home Insurance Company
Tower, Frank H, Independent Adjuster, Los Angeles, Cal.
Townsend, George E, Special Agent, Aetna Insurance Company
Trumbull, J B, Special Agent, Franklin Insurance Company
Tyson, Geo H, General Agent, German-American, Phoenix and German-Alliance and Protectors Insurance Companies

Urmston, J K, Special Agent, Royal and Queen Insurance Companies

Van Valkenburg, Chas, Special Agent, Edward Brown & Sons Agency
Vincent, F O, Special Agent, Geo H Tyson's General Agency
Von Tagen, Chas W, Special Agent, Connecticut Fire Insurance Co.

Waggaman, J L M, Special Agent, Franklin Fire Insurance Company
Walden, J B, Special Agent, Royal and Queen Insurance Companies
Watson, I S, Secretary Fire Insurance Company of Seattle, Wash.
Watson, Kenneth, of Watson & Taylor Insurance Agency
Ward, C H, General Agent, Firemen's and Eastern Agency Companies
Warner, J W, Special Agent, California Insurance Company
Waters, J N, Special Agent, Sun and Michigan Insurance Company
Watt, Rolla V., Manager, Royal and Queen Insurance Companies
Wayman, W O, of Wayman and Henry, Managers, National, Colonial Fire Underwriters and Mechanics & Traders, Sun and Michigan F. & M. and Sun Insurance Companies

Webber, J F R, Special Agent, Springfield F. & M. Insurance Company
Weinmann, Louis, Secretary, Fireman's Fund Insurance Company
Wellington George J
Wells, Harvey, Special Agent, Geo H Tyson's General Agency
Wendler, Chas A, Special Agent, Edward Brown & Sons' Agency
Westlake, W B, Special Agent, Edward Brown & Sons
Weinmann, P R, Special Agent, California Insurance Company
Whelan, W D, Special Agent, Fireman's Fund Insurance Company
White, F G, Special Agent, Fireman's Fund Insurance Company
Whitmer, A W
Wickler, H R, Special Agent, Macdonald & Miles Agency
Windus, W V, Special Agent, Catton, Bell & Co.
Wilkie, Andrew, Appraiser, San Francisco, Cal.
Williams, T H, General Adjuster, German-American, Phoenix, Protector and German-Alliance Insurance Company
Wright, A C, Special Agent, Macdonald & Miles Agency
Wyper, James, Manager, London and Lancashire Fire and Orient Insurance Companies

Yates, J P, Special Agent, London & Lancashire Fire Insurance Co.
Young, E J, Special Agent, North British & Mercantile Insurance Co.
Young, Frank H, Special Agent, Springfield F & M Insurance Co.
Young, Walter H, Special Agent, Michigan Commercial Insurance Co.

Zwick, Wm F, Special Agent, Christensen & Goodwin Agency

HONORARY MEMBERS

Bacon, E. H., San Francisco
Butler, Geo. E., Ross Valley, Cal.
Chard, Thomas S., Chicago, Ill.
Carey, Jas. A., San Francisco
Coogan, T. C., San Francisco
Dickson, Robt., Baltimore, Md.
Donnell, S. M., Pacific Grove, Cal.
Drew, Cyrus K., Denver, Colo.
DuVal, W. S., San Francisco
Driffield, V. Carus, San Francisco
Edwards, L, B., San Francisco
Goranger, H. T., Seattle, Wash.
Grant, Tom C., San Francisco
Gurrey, A. R., Honolulu, H. I.
Haven, Chas. D., San Jose, Cal.
Herold, Rudolph, San Francisco
Hitchcock, C. I., Louisville, Ky.
Keene, W. F., Seattle, Wash.
Kinne, C. Mason, San Francisco
Laton, Chas A., San Francisco
Marshall, John, Jr., Chicago, Ill.
Merrill, Wm. H., Chicago, Ill.
Mohrhardt, E. F., San Francisco
Mullins, C. F., London, England
McElhone, F. H., Chicago, Ill.
McCune, James N., Portland, Oregon
McKenzie, Lee, Seattle, Wash.
Neal, Robert W., San Francisco
Niles, Edward, New York
Page, H. R., Victoria, B. C.
Piver, J. C., San Francisco
Porter, F. H., San Francisco
Robertson, Geo. N., San Francisco
Ross, A. W., Vancouver, B. C.
Smith, A. D., Oakland, Cal.
Spencer, D. A., San Francisco
Stillman, Alfred, San Francisco
Stone, J. C., Portland, Oregon
Taffinder, W. D., San Francisco
Thompson, E. L., Portland, Oregon
Wilson, John Scott, San Francisco
Williams, S. G., Denver, Colo.
Winne, Peter, Denver, Colo.

San Francisco Addresses of the Officers of the Fire Underwriters' Association of the Pacific for the Year 1912

F. J. Alex Mayer, President,
102 Sherlock Building, Portland, Oregon

Thomas H. Williams, Vice-President . . . . . 210 Sansome St.

Calvert Meade, Secretary-Treasurer . . . . . 558 Sacramento St.

J. P. Moore, Ass't Sec'y and Librarian . 939 Merchants' Ex. Bldg.

T. J. A. Tiedemann, Chairman Executive Committee,
314 California Street

A. C. Thornton, Associate Editor Knapsack . . . 240 Sansome St.

G. A. R. Heuer, Associate Editor Knapsack . . . 301 California St.

Association Library Room . . . . 939 Merchants' Exchange Bldg.

Fire Underwriters' Association of the Pacific

OFFICERS FOR 1912

President . . . . . F. J. Alex Mayer

Vice-President . . . . . Thomas H. Williams

Secretary and Treasurer . . . . . Calvert Meade

Assistant Secretary and Librarian . . . . . J. P. Moore

EXECUTIVE COMMITTEE

T. J. A. Tiedemann — Herbert Folger

F. B. Kellam — A. M. Brown

Louis Weinmann

T. H. Williams and Calvert Meade, ex-officio members

DINNER COMMITTEE

H. P. Blanchard — Willard O. Wayman

CALIFORNIA KNAPSACK

A. C. Thornton . . . . . Associate Editor

G. A. R. Heuer . . . . . Associate Editor

Thirty-Seventh Annual Meeting
of the

Fire Underwriters' Association *of the Pacific*



Held in San Francisco, California, January 14 and 15, 1913

PROCEEDINGS

Of the

Thirty - Seventh Annual Meeting

Of the

FIRE UNDERWRITERS' ASSOCIATION

OF THE PACIFIC

SAN FRANCISCO, CAL., JANUARY 14 - 15, 1913

Printed by Order of the Association

1913

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Fire Underwriters' Association of the Pacific

OFFICERS FOR 1912

President, - - - - - - - - - - - - F. J. Alex Mayer

Vice-President, - - - - - - - - - - - T. H. Williams

Secretary and Treasurer, - - - - - - - - - Calvert Meade

Assistant Secretary and Librarian, - - - - - - - J. P. Moore

EXECUTIVE COMMITTEE

T. J. A. Tiedemann — Herbert Folger

F. B. Kellam — A. M. Brown

Louis Weinmann

T. H. Williams and Calvert Meade, ex-officio members

DINNER COMMITTEE

H. P. Blanchard — Willard O. Wayman

CALIFORNIA KNAPSACK

A. C. Thornton, - - - - - Associate Editor

G. A. R. Heuer, - - - - - Associate Editor

Papers Read at the 37th Annual Meeting

of the

Fire Underwriters' Association of the Pacific

Tuesday and Wednesday, January 14, 15, 1913

Morning Session, Tuesday, January 14

1. "Insurance Education and Institute Work,"
   By D. N. Handy, Insurance Librarian, Boston, Mass.

2. "Some Ethical Considerations,"
   By Washington Irving, General Agent Phœnix of London, San Francisco.

3. "A Retrospect,"
   By J. P. Moore, Insurance Librarian, San Francisco.

Afternoon Session, Tuesday, January 14

4. "Shingle Mills,"
   By Frank L. Emerick, Special Agent Fireman's Fund.

5. "The Conflagration Hazard of Los Angeles,"
   By Geo. F. Staniford, Special Agent Fire Association.

6. "Fire Insurance and the Community,"
   By D. A. Spencer, Secretary Brokers Exchange, San Francisco.

7. "The Insurance Library,"
   By Maude Elizabeth Inch, Insurance Librarian, New York.

8. "Collections,"
By Grayson Dutton, City Manager Fireman's Fund, San Francisco.

9. "Forest Fires,"
By Percy J. Perry, Special Agent London Assurance.

Morning Session, Wednesday, January 15

10. "Practical Suggestions for Conducting a Local Agency,"
By Walter P. Porep, Special Agent Edward Brown & Sons, San Francisco.

11. "Uniform Insurance Blanks and Policy Forms,"
By Walter F. Keene, Insurance Examiner, Seattle.

12. "Cause of Apparently High Expense Ratio,"
By C. F. Mullins, London, England.

13. "Proper Vice,"
By T. H. Williams, Vice-President of the Association.

14. "The Insurance Press,"
By John C. Piver, Editor Underwriters Report, San Francisco.

Afternoon Session, Wednesday, January 15

15. "Water Works for Fire Protection,"
By R. B. Mathews, Engineer Board of Underwriters, San Francisco.

16. "Contingent Profit to Local Agents,"
By Edward E. Potter, General Agent Glens Falls, San Francisco.

17. "Fire Protection,"
By J. H. Morrow, Special Agent Commercial Union, San Francisco.

Report of Committees.

Election of Officers.

Reading of the Knapsack, A. C. Thornton and G. A. R. Heuer, Editors.

Adjusters

at

Pacific Coast

Conflagrations



ADJUSTERS
Virginia City Fire, 1875

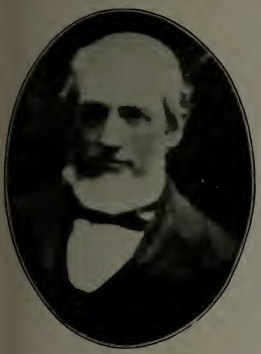


ADJUSTERS
Seattle Fire, June 6, 1889



ADJUSTERS

Spokane Conflagration, August, 1889



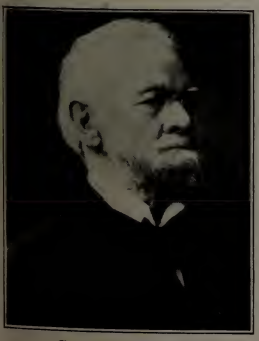
Benjamin F. Lowe
1876



Augustus P. Flint
1878



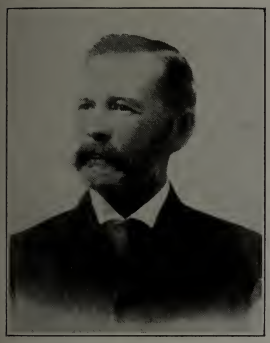
Caspar T. Hopkins
1879



George D. Dornin
1877



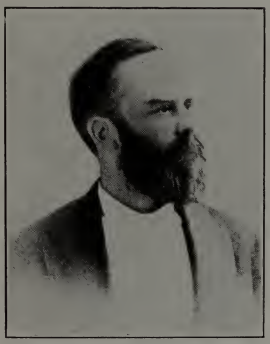
George W. Spencer
1880



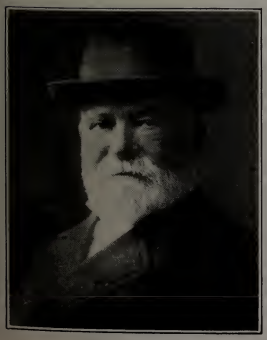
Louis L. Bromwell
1881



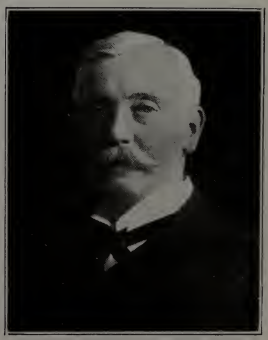
George F. Grant
1882



Edwin W. Carpenter
1883



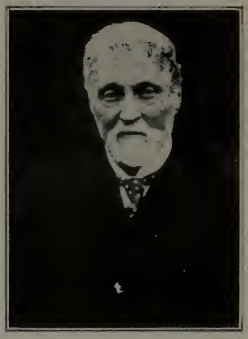
William Sexton
1884



C. M ason Kinne
1885



Zenas P. Clark
1886



Wm. L. Chalmers
1888



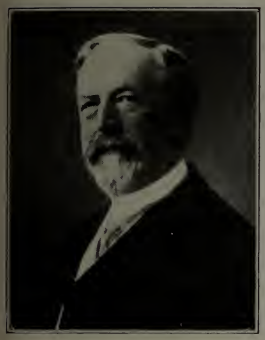
L. B. Edwards
1889



B. Faymonville
1890



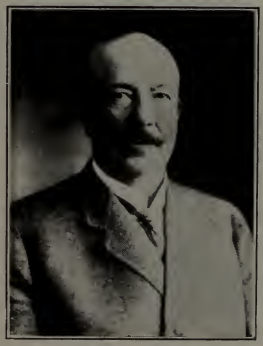
William H. Lowden
1891



Henry M. Grant
1892



Stephen D. Ives
1893



Rolla V. Watt
1894



V. Carus Driffield
1895



Herbert Folger
1896



R. W. Osborn
1897



Louis Weinmann
1898



Edward Niles
1899



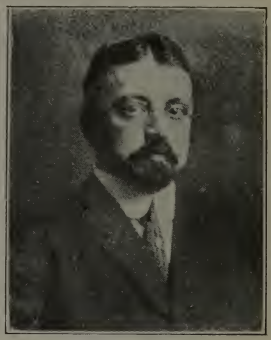
Frank J. Devlin
1900



George W. Dornin
1901



William H.Gibbons
1902



Whitney Palache
1903



Jacob L. Fuller
1904



A. W. Thornton
1905



F. B. Kellam
1906



Arthur M. Brown
1907



John W. Gunn
1908



Adam Gilliland
1909



F. C. Staniford
1910



T. J. A. Tiedemann
1911



F. J. ALEX. MAYER

THIRTY-SEVENTH ANNUAL MEETING

OF THE

Fire Underwriters' Association

OF THE PACIFIC

At the Merchants Exchange Building, San Francisco,
Tuesday - Wednesday, Jan. 14, 15, 1913

FIRST SESSION

Ten o'clock a. m. Tuesday, Jan. 14, 1913.

The following members and guests were present:

Allen, C E
Ankele, J H
Atkins, Frank E
Austin, J E
Avery, F M
Bacon, E H
Bangs, Franklin
Bates, H L A
Bailey, A T
Baldwin, O D
Bertheau, R C
Boyer, Z M
Boyd, R T
Branch, F M
Breeding, W H
Broomell, B B
Brantly, H T
Brown, Arthur M
Brown, H H
Brown, K M
Brush, Capt R G
Carroll, J Percy
Carey, James A
Chapman, A J
Churchill, P B
Cleveland, W W
Conly, Clifford
Cosgrove, J E
Crandall, J E
Davenport, Dixwell
Dennis, Jas J
Dennis, Wm S
Devlin, F J
Driffield, V Carus
Dutton, Grayson
Dunn, H F
DuVal, W S
Edwards, D B
Emerick, F L
Fabj, Robt P
Flack, E B
Fogarty, J T
Folger, Clinton
Folger, Herbert
Francis, Guy
French, C D
French, John S
Fuller, J L
Fuller, J H
Gallegos, R
Gaston, Fred W
Gay, J R
Giesy, A W
Grant, Tom C
Greenwalt, C L
Gibbons, W H
Gill, W S
Gilliland, Adam
Gunn, John W
Hackett, W H
Hale, L M
Hall, Almon J
Hall, O N

Harrison, J Hunter
Hatcher, J B
Heuer, G A R
Hodgkinson, A
Holland, E C R
Irving, Washington
Jones, Geo J
Kaltz, Bruce
Keeley, H J
Keene, Walter F
Kellam, F B
Kinney, C C
Knowles, E C F
Lathrop, F A
Lawson, W A
Mackay, J W
Main, Geo C
Mayer, F J Alex
Mariner, G S
Mason, J R
Marsh, R T
McCarthy, Chas V
McConnell, A C
McKenzie, Lee
Meade, Calvert
Medcraft, R C
Mendell, John M
Moore, J P
Morison, H A
Murphy, Jos A
Neal, R W
Niebling, E T
Nourse, B E
O'Grady, T F
Olds, A C
Osborn, R W
Parrish, Edwin
Parker, Douglas
Penfield, B L
Perry, Percy J
Piver, John C
Quitzow, V H
Randall, H B
Raymond, W H
Reynolds, R H
Richards, F F
Richards, Jas H
Roberts, Geo F
Ross, A W
Rogers, L B
Sabin, H W
Schnabel, J D
Schoeneman, F
Selbach, B O
Sexton, William
Smith, C W
Spencer, D A
St. John, Paul
Staniford, F C
Staniford, Geo F
Stephenson, McCrea
Stone, C R
Stoy, Samuel B
Taffinder, W D
Tebbens, Fred
Thompson, E R
Thornton, A C
Thornton, A W
Ticknor, H B
Tiedemann, T J A
Tyson, Geo H
Von Tagen, C W
Wallace, W L
Ward, C H
Watt, R V
Watson, Kenneth
Wayman, W O
Webber, A E
Webber, J F R
Weinmann, Louis
Wendler, Chas A
Westlake, W B
Williams, T H
Withers, W K
Young, W H
Young, W D
Zwick, W F

The Thirty-Seventh annual meeting of the Fire Underwriters' Association of the Pacific was called to order at 10 o'clock a. m. by Mr. F. J. Alex. Mayer, the President of the Association.

The President—It gives me pleasure, gentlemen, to announce that the Thirty-Seventh annual meeting of the Fire Underwriters' Association of the Pacific is now in session. We will proceed at once to the business before the meeting, as we have a very full program. I will ask the Secretary to note the names of those present.

The Secretary—The names are noted, and will appear in the printed Proceedings, Mr. President.

The President—The next matter in order is the reading of the minutes of the previous meeting. They may be read, or a motion to dispense with their reading will be in order.

The Secretary—I move, Mr. President, that the reading of the minutes of the previous meeting be dispensed with, inasmuch as they have been printed, as usual, and a copy sent to each of the members.

Mr Gunn—I second the motion.

The President—It has been moved and seconded, gentlemen, that the reading of the minutes of the last annual meeting be dispensed with.

The question was put and carried unanimously.

The President—The next order of business is the report of the Secretary-Treasurer.

REPORT OF SECRETARY-TREASURER.

FINANCIAL STATEMENT.

RECEIPTS.

Balance in Bank of California, January 1, 1912		$ 422 07
Received for Annual Dues	$1,782 00	
" " Initiations	155 00	
" " Annual Proceedings	19 10	
" " Various insurance literature	4 54	
" " Clauses and Permits (Williams)	172 75	
" " Dividends Fireman's Fund Ins. Co. stock	16 00	
Insurance Institute account transferred by order of Executive Committee	125 55	2,274 94
		$2,697 01

DISBURSEMENTS.

Paid rent of chairs, annual meeting	7 20	
" Floral pieces	55 25	
" Stenographic report annual meeting	63 00	
" Subscriptions and dues for periodicals and associations	38 47	
" Unit case and cards	7 20	
" Testimonial and loving cup for Col. Kinne	95 00	
" Deficit annual banquet	126 05	
" Publishing annual proceedings	427 20	
" T. H. Williams' Clauses and Permits	118 65	
" Printing and supplies	38 10	
" Postage, express delivery, telephone and telegrams	65 22	
" Librarian and Assistant Secretary's salary	720 00	
" Secretary's salary	100 00	
" Dues to Insurance Institute of America	50 93	
" Study books for members of I. I. of America	39 30	
" Printing 600 books for members of I. I. of America	18 75	
Returned dues to members of I. I. of America	10 00	1,980 32
Balance in Bank of California, January 1, 1913		$ 716 69
Total receipts	$2,274 94	
Total disbursements	1,980 32	
Receipts over disbursements during 1912	$ 294 62	

Audited and found correct.

(Signed) THOMAS H. WILLIAMS,
T. J. A. TIEDEMANN.

MEMBERSHIP.

Active members January 10, 1912	303	
Elected during the year	45	348
Deceased	4	
Resigned	8	
Dropped for non-payment of dues	8	20
Total active members January 15, 1913		328
Total honorary members January 15, 1913		42
Total membership January 15, 1913		370

PUBLICATIONS ON HAND AND PRICES FIXED BY THE EXECUTIVE COMMITTEE.

180	copies	1906 Annual Proceedings	$0.75 each
147	"	1907 " "	.75 "
119	"	1908 " "	.75 "
71	"	1909 " "	1.00 "
66	"	1910 " "	1.00 "
153	"	1911 " "	.75 "
140	"	1912 " "	.75 "
236	"	Buildings of Reinforced Concrete, Prof. Chas. Derleth	.25 "
326	"	Permits and Clauses. T. H. Williams	.25 "
7	"	Insurable Interest. T. H. Williams	.25 "
173	"	Water Supply of Cities Prof. Chas. G. Hyde	.25 "
326	"	Measure of Manufacture Damage. W. H. Lowden	.25 "
269	"	Adjustments Old and New. Edward Niles	.25 "

The President—What will you do with the report of the Secretary-Treasurer?

Mr. Tiedemann—I move that the report of the Secretary-Treasurer be received and approved, and so far as there may be necessity for it, that it be considered by the committee hereafter to be appointed upon President's Address.

Mr. Thornton—I second the motion.

The President—It is moved and seconded that the report of the Secretary-Treasurer be received and approved, any portion thereof which may need further action to be passed over to the committee on President's Address, to be appointed hereafter.

The motion carried.

The President—Next in order is the report of the Librarian. Mr. Moore will present his report.

LIBRARIAN'S REPORT.

J. P. MOORE.

At your last annual meeting, I strongly urged the incorporation of your library on the plan of the Insurance Library Association of Boston. The matter was referred to the Executive Committee and their report you now have.

I was, however, directed to make purchase of various works covering the subjects marked out for study by the Insurance Institutes of America. I was requested to place these and such other works as I should see fit, at the disposal of the Fire Insurance Society, whose young men had decided to enter upon the course of study of the Insurance Institute.

A case of books covering the subjects on which they were to be examined, was set aside for their use, and keys to the library were furnished. The officers of the society guaranteed the care and return of the books. Each student could come to the library for books or for study. I am pleased to say that the agreement was faithfully carried out.

The course of study as marked out by the Insurance Institute will require three years. This year will have a more advanced and difficult course than the last.

We have nearly all the works recommended for the students for this year's study upon which they have already entered.

Thus, in a measure, is fulfilled the object of our library—the furnishing of food for thought and mental growth.

It is safe to say that there are in this city nearly 5,000 persons engaged in the business of insurance in some of its forms. Ours is the only strictly Insurance Library to be found on the coast.

I again assert that a suitable library for all engaged in any insurance office, or as brokers, should be furnished and endowed. With the energy there is in this Association it can be done.

The interest in and the use of our library has steadily grown among the members of this Association. The donations to the library will be acknowledged in the forthcoming proceedings. Special mention should, however, be made of the valuable works donated by President Mayer; also of insurance journals, and by the

Fireman's Fund Insurance Co.
Mr. Geo. W. Dornin.
Liverpool & London & Globe Insurance Co.
Mr. Walter M. Speyer.
Adjuster.
Coast Review.
Pacific Underwriter.
Underwriters' Report.

National Board of Fire Underwriters, and the various Eastern and foreign insurance societies and institutes.

The papers of Mr. T. H. Williams, which were ordered printed in pamphlet form, have met with a ready sale. That upon Insurable Interest

should by all means be reprinted, as the edition is exhausted. No paper ever published by this Association has met with such a demand.

It seems to me to be useless to give you an account of the number of books called for and used, of the number of letters written and of the visitors to the library.

No day has passed in which the library was not called upon to give information on some insurance subject.

The President—Gentlemen, you have heard the report of the Librarian. What is your pleasure?

Mr. Gunn—I move that it be accepted and placed on file, and its suggestions considered by the Committee on President's Address.

Mr. Tiedemann—I second the motion.

The President—You have heard the motion as stated by Mr. Gunn, gentlemen. What is your pleasure?

The motion was put and carried unanimously.

The President—The next order of business is the report of the Executive Committee. I will call upon Mr. Tiedemann, the chairman of that committee, to read its report.

REPORT OF THE EXECUTIVE COMMITTEE.

Your committee did not meet as often as had been the intention of its Chairman, due principally to his enforced absence from the city on different occasions. At such meetings as were held, however, due consideration was given to the various matters referred to it at the last annual meeting and also to the recommendations made at that time.

The Auditing Committee has examined the books and accounts of the Secretary and Treasurer and found them to be complete as to detail and correct.

Regarding the funds of the Association, your committee is pleased to state that there is on deposit in the Bank of California the sum of $716.69 to its credit. This is a gain of $294.62 over the corresponding period of 1912. Of the amount of increase $54.10 represents the net results of the sale of the paper "Permits and Clauses, Their Use and Abuse," which

was prepared for and read at the last annual meeting by Mr. Thos. H. Williams.

At the meeting of your committee on December 11th, Mr. T. D. Boardman, Secretary of the Commonwealth Club, appeared on behalf of his club to inquire if it were not possible for the Fire Underwriters' Association to change the date of its annual meeting, as it conflicted with the club's annual meeting and dinner. The principal reasons given by Mr. Boardman for this request were that members of the Commonwealth Club were also members of the Fire Underwriters' Association, and were, as a result of the banquets being held on the same evening, obliged to absent themselves from that given by the club. Secondly, that the club, which rents the Colonial room of the St. Francis hotel and holds monthly luncheons and meetings therein, is asked at various times by the management of the hotel to give over the room to the Fire Underwriters' Association. After carefully considering the request of the Commonwealth Club, your committee felt that it was not within its power to assume the responsibility of changing the date of the annual meeting of this Association. It was therefore decided to submit the matter to the Association at its present meeting.

A communication also having been received from a member advocating the changing of the dates for the holding of the annual meeting and banquet of the Association, it was deemed best to submit the matter to this meeting for consideration and decision.

Owing to the difference of opinion at present existing, on the interpretation of the rule regarding the dates on which the annual meeting of the Association shall be held, your committee decided that the rule shall mean the second Tuesday in January.

Your committee having been advised that a number of officers had decided not to have their special agents visit San Francisco in January, for reason that they had not had time to analyze the results of the past year's operations, and therefore not in a position to intelligently discuss these and other important matters in connection with the department, it was decided to recommend that the date of the annual meeting of the Association be changed to Tuesday and Wednesday after the first Monday in February.

INCORPORATION OF OUR LIBRARY.

Your committee instructed Mr. Moore to write to Mr. D. N. Handy, the Librarian of the Library Association of Boston, for a copy of their Constitution, By-Laws and Rules and Regulations, and for such other suggestions as he might wish to offer regarding the incorporation of our

library. At the present time no reply has been received from Mr. Handy. This is no doubt due to the continued illness of that gentleman.

ELIGIBILITY—ARTICLE III OF THE CONSTITUTION.

At the last annual meeting of this Association reference was made to the wording of the present rule relating to eligibility of members. As the Constitution of the Association requires that a change in wording shall be made by an amendment proposed at a regular meeting, and adopted at a subsequent meeting, the requirements of the Constitution were complied with by Mr. A. W. Thornton giving notice of his proposed amendment to the rule and leaving the matter in the hands of the Executive Committee for action.

Under date of December 17, 1912, Secretary Calvert Meade issued a circular letter to the members of the Association calling attention to the proposed amendment and submitted to them the wording of same as suggested by your committee. The amendment is phrased as follows:

"Anyone engaged in the service of the fire insurance companies as an officer, district secretary or surveyor, of any board of underwriters, state rating bureau or inspection bureau; anyone habitually acting as counsel, either for the board of underwriters, rating bureau, or for the fire insurance companies; and persons engaged as heads of departments in the offices of the fire insurance companies in San Francisco, shall be eligible to active membership, provided that any such application shall be submitted at a regular meeting of the Association with favorable recommendation by the Executive Committee."

(On this subject Mr. Herbert Folger will address you and present the views of your committee.)

PRICE OF COPIES OF ANNUAL PROCEEDINGS.

Your Librarian having called the attention of your committee to the cost of printing of the annual Proceedings and stated that the expense was 75c. each, your committee is of the unanimous opinion that the present sale price of 50c. per copy be changed to meet the expense and recommends that henceforth the price be 75c. per copy. Your committee further recommends that when there are less (as is the case at this time) than 100 volumes on hand the sale price of those remaining be advanced to $1.00 per copy.

INSURANCE CONGRESS IN 1915.

It having been announced that the representatives of life insurance companies doing business in the State of California had begun active operations for the holding of the World's Congress of Life Insurance Com-

panies in San Francisco in 1915, it was deemed wise that this Association place itself on record as taking similar action for the holding of a World's Congress of Fire Insurance Companies to be held in San Francisco in 1915, and that a committee be appointed at this meeting to give the matter attention and get it under headway.

Respectfullly submitted,

T. J. A. Tiedemann, Chairman,
Louis Weinmann,
F. B. Kellam,
A. M. Brown,
T. H. Williams,
Herbert Folger.

Mr. Tiedemann—Regarding the sale of the paper prepared by Mr. T. H. Williams, I am pleased to state that, of the number prepared, there is not one left. I feel that it is a fitting opportunity to congratulate Mr. Williams upon the outcome of his efforts, and to thank him on behalf of this Association, and personally, for the valuable assistance rendered this Association.

(Applause.)

The President—Gentlemen, you have heard the report of the Executive Committee as read by its chairman. What shall be done with the report?

Mr. Thornton—I move that the report of the Executive Committee be referred to the special committee to whom the President's Address shall be hereafter referred, with the exception that we do now take up the matters referred to by way of amendment to the Constitution of the Association.

Mr. Tiedemann—I second the motion.

The President—Gentlemen, you have heard the motion of Mr. Thornton, that the report of the Executive Committee be referred to the special committee to whom the President's Address

shall hereafter be referred, except as to the amendments which shall now be taken up.

The motion prevailed unanimously.

CONSTITUTIONAL AMENDMENTS.

The President—The next matter of business is consideration of the amendment to Article III of the Constitution, relating to Eligibility of Members. I think Mr. Gunn will speak for the amendment. It is the same that was sent out on the postcards to the membership, with slight changes, I believe.

Mr. Gunn—The amendment was handed me in its present form by Mr. Morrow last evening, and it reads as follows:

"Eligible to active membership shall be managers, assistant managers, general agents, assistant general agents, officers, heads of departments, adjusters, inspectors, surveyors, supervisors of agencies, state and special agents who are connected with a fire insurance company, or its branches, a fire underwriters' board, rating or examining or inspection bureau; also attorneys and adjusters who are retained, or habitually acting as counsellors, or adjusters, for said institution."

This is not my alteration, but simply the reading of what was handed to me. To get the matter started, I move the adoption of this proposed alteration.

The motion was seconded from the floor.

Mr. Thornton—Mr. President, it would occur to me that that is scarcely complete as it is, and it should provide for a method of election. If that is a substitute for the foregoing part of the Executive Committee's report, well and good, otherwise it should carry with it a means of election.

The President—This is only an amendment to the first part of the Article, as I understand it, and does not touch the remainder of it as it is at present.

Mr. Thornton—The Constitution has never been followed, with reference to this matter of election of members.

The President—If I understand the matter correctly, Article III, in addition to the portion that is proposed now to be added to it, will still contain these words: "Applications for membership can be received at any regular meeting of the Association; they must be on the printed form and bear the signature of the applicant, as well as the signature of the proposer and seconder. They will then be posted in the library for two weeks before a ballot can be taken by the Executive Committee. Applications for membership can also be received and acted upon at the annual meeting."

Mr. Thornton—I would like to ask the Secretary if that provision as to posting has always been carried out?

The Secretary—Not since 1906.

Mr. Thornton—I suggest, Mr. President, that the recommendation of the Chairman of the Executive Committee upon that portion of the amendment be incorporated, instead of the constitutional provision here noted.

Mr. Gunn—I would like to hear the report of the Executive Committee again on this proposed alteration.

Mr. Tiedemann—I will re-read that portion that is applicable, mentioned by Mr. Gunn.

"At the last annual meeting of this Association, reference was made in the wording to the present rule relating to eligibility of members. As the Constitution of the Association requires that a change in wording by an amendment proposed at a regular meeting and adopted at a subsequent meeting, the requirements of the Constitution were complied with by Mr. A. W. Thornton giving notice of his proposed amendment to the rule and leaving the matter in the hands of the Executive Committee for action. Under date of December 17, 1912, Secretary Calvert Meade issued

a circular letter to the members of the Association, calling attention to the proposed amendment, and submitted to them the wording of same as suggested by your committee. The amendment is phrased as follows:

" 'Anyone engaged in the service of the fire insurance companies as an officer, district secretary, or surveyor, of any board of underwriters, state rating bureau, or inspection bureau; anyone habitually acting as counsel, either for the board of underwriters, rating bureau, or for fire insurance companies; and persons engaged as heads of departments in the offices of the fire insurance companies in San Francisco, shall be eligible to active membership, provided that any such application shall be submitted at a regular meeting of the Association with favorable recommendation by the Executive Committee.' "

On that subject Mr. Folger will address you, and present the views of the committee.

Mr. Folger—Mr. Chairman: I did not quite realize that that was expected, because the views of the Committee are not wholly alike. But I would point out that the chief difference between the amendment printed and sent out to members, and the alteration proposed this morning, is that in the first case the approval of the Executive Committee is required. A material difference between the amendment sent out, which expresses the spirit of the proposition presented last year, and the alteration proposed this morning, is, that the words "heads of departments in offices of the fire insurance companies in San Francisco" may mean something more than the head of the so-called country department. It is recognized, Mr. President, that there are men in our offices, who have been there for many years, whose intelligence, training and ability put them quite on a level with a large group of special agents, to whom they give instructions. They are men interested in their work, and often equally competent in every way with the field men. Now, it occurred to the gentle-

men who offered the motion, as I understand them, that such men ought to be received freely at these meetings, and have the privileges of the banquet and library. The objectors, including some members of the Executive Committee—and the objections, of course, are in good temper, Mr. President—fear that this will open the door so that heads of other departments in offices; such as endorsements, and so on down, might become eligible, might come into this meeting, might attend the banquet, and might overcrowd us. If, Mr. President, it is the belief of the majority of this Association, that the applicants for membership of these classes will be so numerous (notwithstanding the charge of eleven dollars per annum for the meeting and banquet), then the objection is sound. But, personally, I am more inclined to open the door through the Constitution, to men who want these privileges enough to pay eleven dollars a year, than to shut them out. There have been times in the past, when we have nominated and elected presidents of this Association who were scarcely eligible technically, because they did not happen to be entitled "special agents" in their several offices. But they were heads of the underwriting departments. I think all of the Executive Committee would go as far as to make it read: "Heads of the underwriting departments." Some of them will object to going any further. We have brought the question before the Association, believing that it is better to get the sentiment of the great majority of the members before voting on it.

The President—I want to add the remark that, at the suggestion of Mr. Thornton, we have left out the word "underwriting" before the word "department."

Mr. Tiedemann—Mr. President, I might add to what Mr. Folger has said, and I think it is important, that there are occasions when a special agent may have retired from the field who is eligible to membership in this Association when a special agent, but, having retired from the field, and accepted a position in the

office, to give that office the aid of his knowledge, but who cannot style himself as the head of the underwriting department, who would not, under our rule, be eligible to membership in the Association. I think that is one reason why we should give due consideration to that point.

Mr. Folger—If I may have the floor for a moment again, Mr. President, since you point out that the word "underwriting" has been omitted, the amendment is acceptable, because it requires the approval of the Executive Committee in any event. I feel that it is better to have supervision by the Executive Committee.

The President—It does require the consent of the Executive Committee, and if we have in the past elected them without that consent, that is not the fault of the Constitution, and I do not think we should charge the Constitution with it, when we do not follow it out. All we can do is to enforce it in future, and require the Secretary to enforce it, so that there shall be no application for membership presented without it be approved by the Executive Committee. The Constitution is right now, and I don't see why we should change it in regard to that. All we want to add is to make it more elastic, and extend the membership. We want more members. I am very much in favor of that. And I don't think there is any opposition, if the gentlemen are satisfied to bring it to a vote.

The question was called for from the floor.

The Secretary—Mr. Thornton asked me a question from the floor about the practice in the past as to posting the proposed members before election. As the Association increased in membership, it was found more feasible to have managers propose their special agents just prior to the annual meeting and at meeting of the Executive Committee, ante-dating the annual meeting, all candidates were acted upon and at the morning session the Secretary presented the names for election. This method

has worked well—except as to a few belated candidates—and those the Secretary has always been able to have endorsed by members on the floor.

Mr. Thornton—May I ask exactly what the question is, Mr. President.

The President—That Article III is hereby changed to read as follows:

"Eligible to active membership shall be managers, assistant managers, general agents, assistant general agents, officers, heads of departments, adjusters, inspectors, surveyors, supervisors of agencies, state and special agents who are connected with a fire insurance company, or its branches, a fire underwriters board, rating or examining or inspection bureau; also attorneys and adjusters who are retained, or habitually acting as counsellors, or adjusters, for said institution."

Then the section goes on just as it at present exists, as to when applications may be received, etc.

Mr. Thornton—I strongly urge that the paragraph be changed to comply with and be the recommendation of the Executive Committee. It has proven impossible to comply with the requirements of the Constitution in its entirety for years, and as long as we have the sanction of the Executive Committee, even if it is five minutes before the election takes place, it should be satisfactory to this body. Many men come here and they are with us two or three days before the meeting, and want to make application and join our Association, and attend our banquet, and with the Constitutional provision as we have it now strictly carried out, they could not attend. I move, therefore, that there be made a change in the latter part of the section as it now stands, in compliance with the recommendation of the Executive Committee and it reads as follows, viz: Applications for membership can also be received and acted upon at the annual meeting by recommendation of the Executive Committee.

The Secretary—I second the motion.

Mr. Gunn—If there is no objection, I will accept that amendment as a part of the original motion.

The President—Do you mean that which is on the card, the printed card?

Mr. Thornton—I haven't read the card, but what I heard Mr. Tiedemann read in regard to the manner of election.

The President—Then it will be, after the provision for eligibility, "provided that any such application shall be submitted at a regular meeting of the Association, with favorable recommendation of the Executive Committee."

Mr. Thornton—That is correct.

Mr. Folger—That would mean that if any special agent or manager applies, his application must be considered by the Executive Committee, which we seemed to be getting away from.

Mr. Thornton—If it is approved five minutes before it is submitted to the Association in meeting, that is all that is necessary.

Mr. Folger—So it appears to me.

The President—Is there any further discussion upon the subject?

Mr. Devlin—Mr. Chairman, I doubt very much whether it is wise to have adjusters and counsel as members of this organization. An adjuster often may have to go into court, and if he is a member of the Fire Underwriters' Association of the Pacific, it prejudices him in the eyes of the court and in the eyes of the jury. There are a number of the old adjusters who would not, under any consideration, join this organization, for that reason. The matter of counsel, I have no objection to, only as a matter for the best interests of the adjusters and of the business—and will say that I have no personal objection to adjusters becoming

members, but I don't think it is the part of wisdom on their part to become members, nor do I think it is the part of wisdom for counsel to become members of this Association, and for this reason: counsel must often go before a legislative committee, he often appears in court, and when those things are brought up and it is argued that counsel is a member of the Fire Underwriters' Association of the Pacific, a prejudice will arise against him. In talking to counsel, I have found that they object to being members of any association, they want to be absolutely free, and want to be in a position so that they can take a case on either side and can argue on either side. But men who are retained as attorneys for our organization, are also attorneys of other organizations, they are also attorneys for individuals and they want to be free. And I think the Executive Committee should consider that very carefully before that is made a part of our rules. Of course, when their names came up, the Executive Committee would consider it at that time and refuse, probably, to permit those gentlemen to be admitted. But I think it is a very serious matter, especially the matter of adjusters.

Mr. Driffield—Mr. President, referring to Mr. Devlin's remarks, I would state that this organization was originally formed by adjusters. The majority of special agents are adjusters, at times, in every case. Of course, the specializing of adjusters by companies, is going out of date to some extent, but at the same time there are hardly any special agents connected with the companies at the present time who have not, in their time, adjusted losses, and who will not, in future, adjust losses. So far from agreeing with Mr. Devlin, I desire to offer a further amendment, that executive officers and adjusters connected with adjusting bureaus shall also be eligible to membership. During my entire time as an adjuster and as a manager on this coast, I have never known any instance of where membership in this organization has in any way affected any loss matters that have come up. I have

never yet known any instance, and I think that if Mr. Devlin looks back he will not remember of any such instance. If you are going to exclude adjusters, why, you are likely to weed this body out of practically its entire membership.

Mr. Devlin—I would say in regard to Mr. Driffield's statement, that I don't think that is so, because a special agent is an employee of an insurance company, while an independent adjuster is not. I am speaking now of independent adjusters, and not special agents who adjust losses.

Mr. Driffield—Would not the same remark hold good, however?

Mr. Devlin—I think not, Mr. Driffield?

The Secretary—In regard to adjusters, I think if Mr. Devlin will call to mind that there is a distinction between an independent adjuster, and an appraiser, the matter will settle itself in his mind. I have requested a number who have come up not to join; that is, those who are appraisers. An independent adjuster, his business is employment by the companies, he is known to be a representative of the companies, and I can see no reason why independent adjusters should be excluded from this Association. Appraisers, who may be and who are called upon both sides of the question, I do not think should be members.

The President—I want to call Mr. Devlin's attention to the fact that there are very many members of our Association who are adjusters—they have been members of our Association for years and years, and we would not want them out now. I think that would include nearly half of the membership.

Mr. Devlin—I was not aware of that, Mr. Chairman.

The President—Is there any further discussion on the matter?

The question was called for from the floor, and Mr. Gunn's motion, adopting the amendment of Mr. Thornton, carried.

Mr. Driffield—I desire now to offer an amendment, to the effect that the words "and executive officers and adjusters connected with adjusting bureaus" be also inserted, because that is not provided for.

The President—I would suggest that that could be reached by simply making the language of it "a fire underwriters board, rating or examining, or inspection or adjustment bureau"—adding the words "or adjustment."

Mr. Driffield—I will accept that.

The President—Is the amendment seconded?

The amendment was seconded from the floor, and the question being upon the amendment it was declared adopted.

The President—The next matter upon the program is the consideration of the amendment changing the date of the annual meeting, and specifically changing Article IX. You have heard the recommendation of the Executive Committee, that the date of the annual meeting be changed to the first Tuesday after the first Monday in February. It is the idea that this will be a better time. I think the special agents will find it more convenient. I would like to hear discussion upon the subject.

Mr. Thornton—I move the adoption of the amendment as proposed.

The motion was seconded from the floor.

The President—It is moved and seconded that the Constitution, Article IX be amended so as to read that the annual meeting be held on the first Tuesday and Wednesday after the first Monday in February of each year.

The President—I will ask all those in favor of the motion hat the Constitution be amended to provide that the annual meeting be held on the first Tuesday and Wednesday after the first Monday in February in each year will please rise.

Upon a rising vote, 35 voted for and 6 against, and the President declared the amendment carried.

The President—The next matter in order upon the program is the President's Address, and I will ask Vice-President Williams to please take the chair.

Vice-President T. H. Williams assumed the chair.

PRESIDENT'S ADDRESS.

F. J. Alex. Mayer, State Agent Fire Association of Philadelphia, Portland, Oregon.

As your President it becomes my duty to give you at this thirty-seventh annual meeting, an account of my stewardship during the past year; to cast a retrospect upon the attainments of this Association; to give a description of present conditions in the fire insurance world and to forecast a tendency for the future.

OBITUARY.

But before discussing any of these matters, please let us revere the memory of those whom the stern reaper has called away during the year just passed. And, while in order of their departure, I call the roll of those, from whom will come no response, I wish you would kindly rise in honor of their memory:

J. W. G. Cofran,
J. H. McKowen,
Edward Niles,
Stephen D. Ives,
W. H. Lowden,
E. C. Morrison.

Please be seated.

It is rare, indeed, that within one year an Association has to report the loss by death of such a galaxy of men. Everyone of these men stood high in the profession of fire insurance. It is difficult to replace them, and the surviving members of this Association will have to strive hard if they want to fill their places. It can be truly said of them, that they left things better than they found them.

Suitable resolutions have been drawn for each of the departed by committees appointed for this purpose, and the resolutions will be incorporated into the report of the Proceedings for 1913.

MEMBERSHIP.

The Secretary's report shows in figures the change and present stand in membership. The record shows a slight increase, but the total number of members cannot be satisfactory, as long as the membership does not include in its list every person eligible and desirable. Under the present wording of the Constitution the eligibility is limited to persons connected with a fire insurance company as officers, general agent, special agent or adjuster. There will, however, be an amendment submitted extending the membership to officers, department heads, inspectors and surveyors of fire insurance companies, fire underwriters' boards, rating, examining and inspection bureaus, and to attorneys who are retained or habitually acting as counselors for such institutions.

I trust the amendment extending the eligibility to membership will be carried without much opposition.

I hope the incoming President will shortly, after accepting the office, appoint a committee of three on membership with the purpose in view of soliciting by correspondence or personal persuasion all those, who under the rules of the Association, are eligible and should join the Association. In fact, there should be no person eligible to membership and located west of the Rocky Mountains, who is not a member. If the benefits and usefulness of the Association is made known to them they will join. "In Union is Strength."

FINANCES.

The Treasurer's report shows the finances of the Association in detail. The financial transactions are extremely modest. The disbursements are limited on account of the small revenue; they allow only for the most necessary running expenses. The Association has, so to speak, no funds for educational purposes. If the Association wants to keep up with the trend of time, it must look for a larger income. Increased personal efforts will make this Association more productive, but more money is and will be required for the education of its members.

Every active member gained, means an initiation fee of $5.00 and dues of $6.00, in other words $11.00 for every new member. There are under the old rules about one hundred persons outside of the folds of this Association and under the proposed amendment about two hundred. The gain of one hundred new members means an addition of $1,100 to the funds, and if the amendment passes, at least two hundred new members should be obtained which would mean an increase of not less than $2,200. This is a sum well worth striving for, and as the running expenses will not be

largely increased, it will be an amount that can almost wholly be devoted to making better trained insurance men of the members of this Association.

LIBRARY.

A library is of value only, when its books are read. For this purpose it must be kept up to date with all the important books; it must be open at convenient hours, and the student must have the privilege of withdrawing the books from the library room for a limited time.

At present the library of the Association is run on the same basis as some charity societies, which spend all their income for the salary of the secretary to investigate distress, but with no funds for needed relief. No provision for funds was made last year to buy the most important text books which appeared during the last twelve months, and only recently through the favor of a private donator were some of the new textbooks added to the shelves of the library. This lack of funds must be changed for the future. The library must have an annual contribution of about $250, for the buying of new books and magazines and for the binding of periodicals. The disbursements for the library should be made by the advice of the Librarian with the consent of a library committee of three. The incoming President should be instructed to appoint such a committee. It should have charge of the finances and management of the library. If the Association is short of funds, then the library committee should try to raise funds by contribution, by encouraging members to raise money through social functions such as smokers, card parties, theatrical performances, a glee club and other entertainments

The library is open from 12 to 2 at noon time. This is without doubt the most convenient time for short hours, but arrangements should be perfected so it can be kept open during business hours from 9 to 5.

Under the present rulings no books can be withdrawn by members from the library, which is a great hindrance and obstruction to the student of insurance, because the lunch hour does not give sufficient time for reading. The rule should be changed so that by making a deposit or giving a guarantee, books will be loaned for one or two weeks to the honorary, active and associate members. Such a ruling would undoubtedly revive the Associate Membership for which provision is made in Article X of the Constitution, and thereby increase the funds of the Association.

It is well known that the true student does most of his work by burning the oil of the midnight lamp.

The paper which will be read at this meeting on "The Insurance Library from the Viewpoint of the Librarian," by the young lady, who is Librarian of the Insurance Library in New York city, gives most valuable

advice as to how to conduct an insurance library, and the paper should be referred to from time to time until the library of this Association becomes as valuable and as much an instrument of education as the one in New York.

TEXT BOOKS.

The fire insurance student of the past had a rather difficult task in studying the business from books. The only way to get a theoretical education was by looking up the annual reports of insurance associations, the insurance periodicals and stray books and articles here and there. Most of the training was gained by the hard knocks of experience and at immense cost to the companies.

Today the student of fire insurance has better, more systematized and complete text books at his disposal. The year 1912 was especially prolific in good insurance literature.

The following books are especially worthy of mention:

"Cyclopedia of Fire Prevention and Insurance," by the American School of Correspondence, Chicago, 4 Vols., $15.80 less 10 per cent for cash.

"The Business of Insurance," by Howard P. Dunham, issued by the Ronald Press Co. of New York, 3 Vols., $10.00.

"Fire Prevention and Fire Protection," by Joseph Kendall Freitag, issued by John Wiley & Son, New York, 1 Vol., $3.50.

"Lectures on Fire Insurance," by the Insurance Library of Boston, Mass., 1 Vol., $3.50.

These books are now in the library. No large insurance office should be without these books on its shelves for the use and reference of the manager and the office employees. No special agent should be met on the road without having at least one of these volumes in his traveling grip. These books are all master pieces. They should be read and re-read by every student of fire insurance; they should be pondered over and not laid aside until the contents thereof are mastered. In every instance the reading and studying of these books should be supplemented by practical work, by inspections and investigations.

OBJECT.

This year as in former years the educational objects of this Association are being fulfilled by the reading of papers at the annual meeting, by a short discussion of same, and by the issue in print of the proceedings. The social functions are being absolved by the annual banquet.

This has proven to be sufficient during the thirty-seven years of the existence of this Association, especially during the years of its infancy.

This Association has ever been for many years a leader and example to similar institutions.

Yet, times and conditions have changed. The technical part of fire insurance has grown to such an extent that fire insurance has become a profession, and is no longer a mere business. It will be only a short time when some branches of fire insurance will count among the sciences, like the actuarial part of life insurance. Consequently there is a great educational task before us. In memory of the founders and pioneers of this Association, in furtherance of the Pacific Coast spirit, and in showing our own pride, we cannot shirk this duty for advancement of our vocation.

The incoming President and the Executive Committee will no doubt tackle this task with enthusiasm; they will make it a labor of love to show good results by the end of their administration. They will see to it that this Association takes up Institute Work in this city with branches in Los Angeles, Portland, Seattle and Spokane.

The paper, which will be read at this session on "Practical Instruction in Fire Insurance," written by the Chairman of the Insurance Institute of America, gives the necessary hints and pointers

CORRESPONDENCE SCHOOL.

The duties of a special agent keep him on the road most of the time and for this reason a special agent cannot very well attend a course of lecture and study, as laid out by the Insurance Institute of America, especially here in the West where distances are so great. Yet a special agent, no matter how much of his time is taken up by work, has much unemployed time waiting at depots for delayed trains, riding on railroads and spending evenings and Sundays at country hotels. Such time can be put to good use if the special carries the proper insurance books for systematic reading with him.

For a special agent thus situated there is no better training course than the preparation offered by the American School of Correspondence, 58th street and Drexel avenue, Chicago, Ill.

It offers the following courses at the tuition fees named:

"Fire Prevention and Insurance," 30 Instruction Books, tuition $70.00.

"Fire Prevention," 21 Instruction Books, tuition $55.00.

"Fire Insurance," 19 Instruction Books, tuition $50.00.

"Fire Insurance Inspector's Course," 12 Instruction Books, tuition $35

Payable $5.00 monthly or 10 per cent discount for cash payment.

The school offers a limited amount of Employer's Scholarships at a reduced price and some of those who desire to take up the Correspondence School, can take advantage of this temporary offer.

The books are of a very handy, convenient size; each can be easily carried in the coat pocket, ready for use whenever there are a few spare moments.

The various subjects are written by the best trained men; men who are authorities in their special lines. A Special who takes up one of these courses, can always supplement his reading by practical work in the field. There is no longer any reason for a Special to claim that he has no opportunity for a technical training, and the following adage may be well applied to present day specials: To be poor is no shame; but to be ignorant is a disgrace.

UNDERWRITERS' CONGRESS.

In commemoration of the opening of the Panama Canal, the greatest waterway that was ever built by human hands and human intelligence, the city of San Francisco will hold in 1915, an exhibition worthy of the event, and for the purpose of showing to the world the resources, treasures and developments of the Pacific Coast. It is befitting that every industry and every enterprise should try to do its utmost to make the Exposition a grand success. It would surely be a poor testimony to the fire insurance fraternity on this coast if it would not be represented at the Fair in a manner that would do justice to the importance of the commercial and financial standing to which the fire insurance business has grown on this coast and especially in the city of San Francisco. The Insurance Institute of America has promised to hold its annual convention in 1915 in San Francisco. This is a beginning, but it is not sufficient for the occasion. There should be a Fire Insurance Congress or a Fire Insurance Day during the summer of 1915, at which time there should be a gathering of the fire insurance men from all over the world. It is within the power of this Association to make San Francisco the mecca for all insurance pilgrims from the four corners of the globe during the Fair. It would be advisable to have at the same time an exposition of fire-proof and slow burning construction, models and materials; of fire prevention and fire protection apparatus, implements and machinery. Such an exhibit can be gotten together by co-operating with manufacturers, fire departments and inspection and surveying bureaus. It will be a grand enterprise but one that will require a good deal of preparation and work. The money necessary for the undertaking would have to be through voluntary contributions from the companies represented on this coast. No time must be lost in getting a plan laid out for a program and in starting the work. The incoming President should at once appoint a committee of five to take the matter in hand and start the work without delay.

STATISTICS.

The rates compiled by the actuaries of life insurance companies from the mortality tables are based on strictly correct mathematical principles; in other words, they are scientific. The measure which establishes the rate in life insurance is the number of losses in a group to the number of risks in the same class. No actuary would dream of establishing the rate for a certain age by comparing the dollars paid for losses with the dollars received in premiums. Such calculations would never lead to the correct average, unless the amount at risk and the rate of premium were for all policies the same.

Nevertheless fire insurance companies try to do the impossible. And that fire insurance men have succeeded so well in the past in arriving at fairly adequate rates, is not due to the calculations derived from their statistics, but simply to their innate good common sense, strengthened by their technical knowledge of the business.

Now, if the life insurance actuary can extract scientific computations from his statistics, why not accept the same method for fire insurance calculations? It is true, in life insurance every loss is a total loss, while fire insurance has to deal with many partial losses. But can these fractional losses not be added together? Does not one total loss, one-half loss, one-quarter loss, one-fifteenth per cent loss and one ten per cent loss foot up to be in the aggregate two total losses? There can be no doubt, that if statistics were collected on such principles by fire insurance companies from the state fire marshals, the fire departments of the cities and towns, from the records of companies, there would be gathered in a short time a large enough number for a working basis, which would give the fire insurance companies experience tables in the same way as are the mortality tables for the life insurance companies.

The work of compiling statistics would finally go into the hands of men trained for this purpose. The fire insurance actuary would soon be looked upon with as much awe and veneration as the life insurance expert.

This suggestion of making fire insurance statistics should be taken up by some actuary or mathematician versed with the subject and there is no fear that the system will be found correct in principle, expedient in practice and the only true and scientific solution.

Fire insurance statistics would then be on the firm ground of mathematical calculations, drawing laws of probabilities from the results of experience.

MAXIMUM LINES.

Some of the states limit the amount of insurance to be carried by a company on a single risk, or on a single block in the congested district of a city or town, to one-tenth of its capital stock. Such limitation shows plainly how little lawmakers know about the business of underwriting. The capital stock of a company is the last item to be considered by the underwriters relative to the amount of maximum lines to be written. The first consideration is and must be susceptibility of fire of the property insured; in other words, the largest amount of a possible and probable loss. The next point to be considered is the amount of insurance carried in proportion to the value of the property. Then comes the hazard of occupation, the danger from exposure, and the number of risks obtainable from the same class. After these physical matters are considered, the underwriter has to take cognizance of the financial affairs of the company. In this category must first be considered the premium income and then the net surplus.

For illustration: A company with a capital stock of $500,000 but with a premium income of $4,000,000 per annum which suffers a $100,000 loss, has only an increase in loss ratio of 2½ per cent, while such a loss would probably impair the capital stock of a new company, although it possesses a million dollar capital.

This example shows that the capital stock has very little to do with the solvency and stability of a large fire insurance company.

NEW CONDITIONS.

It is scarcely a quarter of a century since protected steel frame construction has been introduced and the first sky-scraper was erected. It is less than a decade since re-inforced concrete buildings have been constructed. After many experiments and failures the building engineers have learned to make this class of buildings almost absolutely proof against fire and heat; yet, the principle of fire proofing is understood only by a few high grade architects and the danger of imperfect and defective work by greedy contractors and slovenly workmen is so great, that the supervision of the work by specially trained men cannot be dispensed with. The continued inspection of the work, while the construction is under way, is very important, because the fireproof covering of the structural parts, which will be damaged by deterioration, fire or heat, if not properly installed, covers up the defects entirely, which cannot be discovered afterwards until it is too late and the damage is almost irreparable or the parts are destroyed. For this reason it is to the utmost interest of the property owner and the

public that the construction of such buildings progresses only under the strictest investigation and inspection.

The time will come when the property owners will look to the fire insurance companies for men trained for such purpose as being next to themselves financially the most interested parties in having the work done to perfection. Then, whether the property owners will pay cash for this kind of work or whether they prefer to have the initial cost of inspection spread over a term of years and thereby make companies reimburse themselves by writing contracts of ten or more years for the insurance of the property against fire, depends upon further developments. However, the long term contracts will probably become the prevailing method, especially if they include a continued inspection of the buildings as to their structural safety as well as the continued preparedness of the fire prevention and extinguishing installations. Fire insurance will then include not only indemnity against loss by fire, but it will also guarantee against deterioration of any of the structural and protective appliances. Such continued inspections are already undertaken and the cost included in the premiums by the factory mutual fire insurance companies and also by the companies insuring against boiler explosion. It is the same with the Chinese, who pay a doctor while they are well, and refuse to pay him when they are sick.

Life insurance would be impossible in its present day high development and security, if recurrences of the plague, the black death, the scourge of the middle ages, were possible. And, if city builders had kept up in their heedless way of construction and fire protection, then fire insurance would be an impossibility today in the congested districts of the rapidly growing metropolitan cities with their increasing hazards and aggregation of immense values. Fortunately, fire insurance companies and property owners have learned that the enforcement of modern building codes, the observance of municipal and state restrictions for the handling of dangerous and easily inflammable material, the regulation of the installation of electrical appliances, and other modern devices, the readiness and efficiency of fire prevention and extinguishing apparatus, will stem a conflagration in the same proportion as the enforcement of modern hygenic and sanitary rules benefit life insurance.

Nay, the companies and the public now know, that only by the enforcement of these preventive remedies can these institutions continue to exist and calculate on a fair average of returns without being constantly in fear, by total destruction.

Finally, the proverb, "An ounce of prevention is better than a pound of cure," has come to its full significance.

CONCLUSION.

When you elected me President last year, the honor came unsought, and I accepted the office as a trust. Now, as the term is nearing its end, it is for you, gentlemen, to determine, whether or not I have fulfilled your expectations.

I thank you. (Applause.)

The Chairman—You have heard the excellent address of our President. What is your pleasure, gentlemen?

Mr. Thornton—I move that it be referred to a committee to whom shall be referred also the report of the Executive Committee, the report of the Secretary-Treasurer, and the report of the Librarian.

The motion was seconded from the floor.

The Chairman—You have heard the motion, gentlemen, that the President's Address be referred to a committee, which, as I understand, includes the motion on the President's Address, Report of the Secretary-Treasurer, of the Librarian, and of the Executive Committee.

The motion prevailed unanimously, and President Mayer resumed the chair.

The President—I believe our Secretary has a communication that he desires to read.

The Secretary—Yes, Mr. President, I was very much pleased this morning to receive as your Secretary, the folllowing telegram from an old, loved and very valuable member of this Association. It is dated at the Hotel Raleigh, Washington, D. C., and reads:

"An humble honorary member of the Fire Underwriters' Association of the Pacific sends greetings to all the old and new members of the organization which has brought much good into our business. But, as George Grant once said, 'keep a steppin'.'

It's up to Uncle Bill Sexton now. (Signed) C. Mason Kinne." (Applause.)

The President—The Secretary will now read the list of proposed new members.

The Secretary—Mr. President, the following names have been passed upon by the Executive Committee for members of this Association:

Chas. A. Colvin, Supt. of Agencies Caledonian and Aachen & Munich Ins. Cos.
F. W. Gaston, Inspector of Agencies Scottish Union & National Ins. Co.
Geo. J. Janes, Special Agent L. & L. & Globe Ins. Co.
Robert V. Miller, Special Agent Atlas Assurance Co.
A. C. Olds, Manager Caledonian and Aachen & Munich Ins. Cos.
Gilman L. Camp, Special Agent Ins. Co. of North America
C. B. Harris, Special Agent Wayman & Henry Ins. Agency
A. C. Heltzell, Adjuster Pacific Adjustment Bureau
Bayard E. Nourse, Special Agent Fireman's Fund Ins. Co.
Junius Young, State Agent Home Insurance Co.
Thomas V. Humphreys, Special Agent E. Brown & Sons Ins. Agency
P. B. Churchill, State Agent Fire Association
C. William Henderson, Special Agent Phoenix Assurance Co.
Charles R. Stone, Special Agent Phoenix Assurance Co.
Munro English, Special Agent Phoenix Assurance Co.
J. Percy Carroll, Special Agent Law Union & Rock Ins. Co.
Wm. H. Hackett, Supt. of Agencies London Assurance Corp'n
Ralph H. Reynolds, Special Agent Niagara Fire Ins. Co.
O. D. Baldwin, Special Agent Niagara Fire Ins. Co.
Walter D. Young, Special Agent Niagara Fire Ins. Co.
B. O. Selbach, of Bertheau, Selbach & Bertheau Ins. Agency
Henry A. Morison, Special Agent Franklin and Reliance Ins. Cos.
A. T. Bailey, Manager New Hampshire Fire Ins. Co.
Paul St. John, Special Agent Caledonian and Aachen & Munich Ins. Cos.
Rudolph C. Bertheau, of Bertheau, Selbach & Bertheau Ins. Agency
J. D. Schnabel, Special Agent Bertheau, Selbach & Bertheau Ins. Agency
Henry T. Brantly, Special Agent Scottish Union and National Ins. Co.
F. F. Richards, Special Agent Union Assurance Society.
A. E. Webber, Special Agent Fireman's Fund Ins. Co.
Kenneth M. Brown, Special Agent Fireman's Fund Ins. Co.
Almon J. Hall, Independent Adjuster, Boise, Idaho

Fred Tebben, Special Agent Christensen & Goodwin Ins. Agency
J. R. Mackay, Special Agent Christensen & Goodwin Ins. Agency
H. J. Keeley, Special Agent Christensen & Goodwin Ins. Agency
Dixwell Davenport, Manager National Union Fire Ins. Co.
A. Hodgkinson, Secretary Vulcan Fire Ins. Co.
D. B. Edwards, Special Agent L. & L. & Globe Ins. Co.
Douglas Parker, Special Agent Geo. H. Tyson's Ins. Agency
E. C. R. Holland, Special Agent Geo. H. Tyson's Ins. Agency
Henry F. Dunn with Niagara Fire Ins. Co.
G. Harold Ward, Adjuster Pacific Adjustment Bureau
Wm. K. Withers, Adjuster Pacific Adjustment Bureau
W. L. Wallace with Los Angeles Fire Ins. Co.
McCrea Stephenson, Special Agent Phoenix Assurance Co.
R. T. Marsh with Springfield F. & M. Ins. Co.

Mr. Driffield—I move that the candidates mentioned be elected members of this Association, and that the Secretary cast the ballot.

Mr. Gunn—I second the motion.

The President—It is moved and seconded that the applicants named be elected members of the Association, and that the Secretary cast the ballot of the Association for them as members.

The motion carried unanimously.

The Secretary—Mr. President, the ballot is cast in favor of each of the gentlemen named.

The President—The new members can be admitted under the new ruling, and if any new members make application before tomorrow they can have their names acted upon by the Executive Committee.

Mr. Brown—I know it is not customary at this time to make any reference to the President's Address, but there was one portion of your address, Mr. President, that I listened to with the utmost attention, and that was that portion of it relative to the Insurance Congress of 1915. There is, as you are perhaps aware,

in this city at the present time, a committee appointed by the various insurance interests for the purpose of inviting the insurance world to a Congress here in 1915. That committee is largely composed of life insurance men at the present time, and this Association has taken as yet no active part, nor has it been asked to take any active part in the meetings of that committee. I believe that this Association should take the first place in that work, that we ought to have such a committee appointed by the President or by the Executive Committee, and at once, and make this Association prominent in that work, and bring it to the attention of the insurance world. Last year, when I visited Europe, I was requested by the chairman of that committee to give some attention to the affairs of the Congress. I found then two important obstacles, first, that I did not speak any language but English, and second, that at that time our Fair was but very little known. Since that time the Fair has been heralded over the world, and this Association should take the first place in bringing the Congress to the attention of every one. It can't be done by merely appointing committees. It can't be done by sitting still, waiting for somebody to take up our work. We have got to take active measures and get actively to work at once, and we should have funds to prosecute the work. No committee that is appointed, no matter how able, will be able to do successful work along that line, unless it has the necessary funds. And I hope that this Association will give me the opportunity, before the meeting closes, of bringing forward an amendment looking to the raising of funds for that purpose. I hope that the Association will be so interested in that work that the amendment that I shall propose later will receive successful attention. I think it is absolutely necessary that this Association should be the one to have that work first in charge.

Mr. Taffinder—Mr. President, Mr. Brown, and gentlemen: It seems to me that the question of a World's Congress which

shall show the present progress of insurance, and the steps that have already been taken here in that connection, are perhaps not very well known to the members of this Association. The Panama Pacific Exposition under whose auspices it is proposed to hold the World's Congress, have appointed Mr. W. L. Hathaway as a Commissioner for that purpose. Mr. Hathaway has behind him, in his efforts to organize this World's Congress of Insurance, the entire backing of the Exposition Company, and it is a large, important interest. Steps have been taken already in the direction of this Congress. Most of the insurance organizations, not life insurance only, but fire, casualty, marine, have become interested in this World's Congress by reason of the action of Commissioner Hathaway. Whether the Fire Underwriters' of the Pacific wish to hold a separate Congress or individual Congress, or whether they wish to assume the part which necessarily belongs to them in co-operation with the Panama Pacific Exposition Company's efforts, is, of course, for their decision. But this I say now: Insurance Commissioner Hathaway a few days ago spoke to me of this very Association, and I believe that it is his desire to present a formal invitation from the Exposition Company, and also to ask this Association to appoint its representative or representatives on what is known to the Exposition Company and the Commissioner as the National Advisory Council. That is the present program of the World's Insurance Congress, as contemplated by the Exposition Company. If it meets the approval of the Chairman and the gentlemen present, I would suggest, as an honorary member, that it might be well to appoint a committee to ask Mr. Hathaway to come before us and tell us himself directly just exactly what he is doing, and what he would like to have done.

Mr. Tiedemann—Mr. President, I have listened with much interest to Mr. Brown and Mr. Taffinder. I refer to this because last year your President, as Mr. Mayer has done this year, advo-

cated the holding of such a congress. I am aware of the fact that Mr. Hathaway has been very active in the solicitation of the various lines of insurance, casualty, life, and so forth and so on. The idea of holding a World's Congress here has taken very definite shape, of course. But, as far as the fire insurance interests are concerned, I think we should hold one, although the members of this Association may take different views of that. At the time of the writing of my address last year, I suggested that a committee be appointed to take up active work and ascertain the views of the membership upon the subject. I also suggested that, as an initial step, our bank balance be materially increased, so that we would be in a position to make the proper expenditures for the purpose. To do that, I further suggested that an assessment be levied on the various members, and that we get at it well in advance of the holding of this proposed Congress of fire insurance companies in 1915, for the reason that it would facilitate matters, whereas if you left it to the last minute, and asked for contributions, we might be refused. I hope you will pardon any personal reference in this, but I wanted to call the attention of the membership to the fact that the matter was discussed and suggested last year, and to say that I am still of the opinion that I then expressed. Mr. Brown, I believe, will offer an amendment later upon this subject, and I hope then we may have a very free discussion of it.

The President—We have three days work to do in two days, gentlemen, and I think we will have to postpone further discussion on the matter until it comes up again either this afternoon or tomorrow morning. We will now take up the reading of papers.

The first paper upon our program is one by Mr. D. N. Handy, Insurance Librarian of Boston, Massachusetts, upon the subject, "Insurance Education and Institute Work." It is a most excellent paper, and I know that you will all be very much instructed in its reading. Mr. Kellam has very kindly con-

sented to read the paper. I want to say that the gentleman is Chairman of the Insurance Institute at the present time.

Mr. Kellam—Gentlemen, this paper is entitled as your chairman has indicated. He says:

INSURANCE EDUCATION AND INSTITUTE WORK.

Insurance Librarian D. N. Handy, Boston, Mass.



I do not hope in this brief paper to say much that is new on the subject of insurance education. Associations like your own for many years have considered it in set address, studied report and informal discussion. I should marvel, therefore, at my temerity, in selecting this topic, if it were not that the newly promulgated course of fire insurance study of the Insurance Institute of America brings the whole subject fresh before us and warrants renewed interest in its consideration.

May I then tell you something about the Insurance Institute and the educational work that it has laid out for itself to do?

The Institute was organized in Philadelphia in 1909. The call for the conference at which the Institute was formed was issued by the Insurance Society of Philadelphia. Delegates were present from The Insurance Society of New York, The Insurance Institute of Hartford, The Insurance Library Association of Boston, The Fire Insurance Society of Philadelphia and The Fire Insurance Club of Chicago.

The need of an organization which might become a clearing house for the educational activities of all the associations was apparent. After due deliberation it was voted the opinion of representatives present, that the first of the activities in which the Institute should engage should be educational and a committee on education was appointed, with Mr. E. R. Hardy of New York as its chairman.

The word "education" in fire insurance was not new. For years education of one sort and another had been urged and agitated. Local agents had demanded the better education of agents; company officials had called for the education of the insuring public; insurance department heads had called for the education of all. But the Insurance Institute had in

mind a systematic course of study which should cover the subject of fire insurance as a course in banking covers the subject of banking. It was to be primarily for young men who wanted to achieve proficiency in their work.

In England the Federation of British Institutes had offered instruction in fire insurance for many years. In America the Insurance Institute of Toronto affiliated with the British Institute offered similar courses. Many schools and colleges in the United States, especially the recently established schools of business administration, were offering elective courses. Some of the technical schools were concerning themselves with fire protection engineering. Armour Institute in Chicago, with the splendid resources of the underwriters' laboratories at its disposal, was already doing good work along these lines. The late Edward Atkinson, under whose inspiration the factory mutual system of New England had been developed to marvelous perfection, was instrumental in interesting for a time The Massachusetts Institute of Technology in fire protection engineering courses. All these activities showed a growing appreciation of fire insurance and its related subjects as worthy of the attention of students.

On the practical side, too, fire insurance education had not by any means been neglected. Inspection and survey boards and rating organizations had been obliged to devise some means for training their inspectors. In some cases this training was most desultory. In others it was systematic and carefully planned.

The New York Fire Insurance Exchange, under the leadership of Henry E. Hess, manager, undertook the systematic training for inspectors of twelve men drawn for the most part from technical schools or colleges. They were given several months of careful instruction. At the end of this period they were hired by the Exchange under contract to remain with the Exchange eighteen months, and at the end of that time, in case they had opportunities for bettering themselves, to give the Exchange the first choice of their services. This work was under the immediate supervision and direction of E. R. Hardy, now chairman of the Insurance Institute's Committee on Examinations. The work was not continued. An interesting description of it is found in a special report by the manager of the Exchange dated December 12, 1904.

The early fire insurance company manual was in reality a text book of insurance for the use of agents and field men. A noteworthy example of this kind of work is seen in the one issued by the Ætna in 1867. This is a book of several hundred pages developing the theory and practice of stock underwriting in a logical manner. Theoretically, at least every agent into whose hands it fell became a student of fire insurance and fire protec-

tion engineering; and in so far as he availed himself of the opportunity offered of asking questions of the home office he became part of a crude system of insurance instruction by correspondence.

During 1904-1906 the Rough Notes Co. made an interesting educational experiment. It issued at intervals special numbers styled "American Insurance Institute Numbers," in which were published lectures on fire insurance delivered before the Fire Insurance Club of Chicago. Three annual examinations were held, the enrollment ranging from thirty to fifty each year. One of the question sheets, which I have before me, shows a comprehensive course of instruction. No attempt was made to instruct individual students. Students were encouraged to read the published lectures and on an appointed day were supplied with printed question blanks covering the several subjects.

INSURANCE EXAMINATIONS.

I have tried to point out that instruction in fire insurance was not a new thing evolved by the Insurance Institute three years ago; that it had been recognized as possible and advocated as desirable for many years, and that in some form or another it had been repeatedly attempted by progressive fire underwriters.

But in the United States until the Insurance Institute began its work there had been no attempt at a comprehensive, logically developed course of study by the pursuit of which the student might hope to get a fairly complete and practical knowledge of fire insurance and related subjects.

This achievement remained for the Insurance Institute through its committee on insurance examinations.

When the committee began its work it had before it the prescribed courses of study of the Federation of British Institutes, the proposed course of the National Board of Fire Underwriters and the courses of those colleges and universities which were offering such courses in graduate or business departments.

You will find some of these given in full in the paper presented at the second annual conference of the Insurance Institute by Mr. Hardy, which appears on pages 24-31 of the Proceedings of the first and second conferences.

The committee felt that its task was to take the many and seemingly unrelated facts and theories of fire underwriting and bring them together into orderly, properly balanced form, so balanced and so related that a young man entering upon the course would find himself in his reading and reflection carried through progressive stages to the point where the whole

realm of fire underwriting would be unfolded before him. The task certainly was ambitious, but it was believed by those who undertook it to be worth the doing.

At the outset there was considerable misunderstanding of the Institute's purposes. Some experienced underwriters evidently thought it was an attempt to provide an easy road to proficiency. Hence they deemed it impracticable and questioned its wisdom. Others thought it a good thing but doubted whether the men who would benefit most by it could be induced to do the work. A few thought the effort premature; the time being not ripe for it.

Fortunately, however, the Institute committee had for its chairman, Mr. E. R. Hardy of the New York Fire Insurance Exchange. Mr. Hardy already had successfully organized the evening classes in fire insurance of the New York University with an attendance of half a hundred. He had supervised the educational work done by the New York Insurance Exchange, mention of which was made earlier in this paper. In him was combined in rather unusual degree the student, man of affairs and educator. He was a college graduate and law-school student; had been engaged in responsible fire insurance work, and was by natural endowment a teacher of exceptional merit. Through the somewhat discouraging period of pioneering he held steadfastly to the idea of a well rounded course which should be representative of fire underwriting.

In 1910 a tentative first year course was issued. It comprised:

First Year.

(a) Building construction, including heating and lighting.

(b) Hazards.—Hotels and lodging houses. Printing and allied industries. Storage warehouses. Cotton mills.

(c) Draughting to scale.

(d) Correspondence.

(e) Standard policy of New York state.

At the third conference of the Institute held in Chicago in 1911 the committee on examinations was extended to comprise three members from each Association represented in the Institute. At the fourth conference held in Boston in 1912 the details of the full three years' course were approved, and a few months later a descriptive pamphlet containing the finished course was issued.

This course comprises the following subjects:

I. Junior Course.

Principles and History of Fire Insurance.
Fire Hazards.
  Common Hazards.
  Hotels and Lodging Houses.
  Local Hazard (subject optional).
Correspondence.
Fire Protection.
Standard Fire Policy.
Building Construction.

II. Intermediate Course.

Plan Drafting to Scale.
Fire Hazards.
  (a) Electrical Hazards.
  (b) Woodworking Hazards.
  (c) Local Hazard (subject optional).
Correspondence.
Fire Protection; Public and Private.
Standard Policy; Clauses and Forms.
History and Philosophy of Fire Insurance Rating.

III. Senior Course.

Legal Requirements.
Law of Agency, and Agency Organization and Management.
Fire Hazards.
  (a) Chemical Hazards.
  (b) Metal Working Hazards.
  (c) Local Hazards.
Correspondence.
Fire Protection; Automatic Sprinkler Equipment.
Fire Loss Settlement.
History and Philosophy of Fire Insurance Rating.

Such is the history of the fire insurance course of The Insurance Institute of America.

We come now to the question of the practical application of this course of study to conditions as they exist.

At the outset it seems necessary to say that few people suppose that a successful insurance man can be made from the study of books alone. On

the other hand there should be even fewer to suppose that the knowledge to be got from books may not be of immense practical value to the man about to enter upon a fire insurance career.

The school does not make the doctor, the lawyer or the engineer. The professional man everywhere depends for success upon field practice, superimposed upon a substantial basis of knowledge gained from books.

Fire insurance is in this respect in no essential different from engineering, the law or medicine. Its practice is and must be established on foundations of fact and theory, all of which are susceptible of orderly grouping and presentation.

The old method of acquiring skill in fire insurance was to get into the work and pick up scraps of information as one went along. One learned what he could from the experience of others; but was left to the slow and costly expedient of learning much from his own.

The Insurance Institute purposes to place before the young man, under the supervision of experts, what heretofore he has had to learn from blundering experience, and thus enable him to make experience more fruitful of wisdom and less costly.

At the outset it was felt that much of the work of those who took the Institute course would be by correspondence.

But the experience of the Insurance Library Association of Boston, representing three consecutive seasons, suggests the possibility of a much more active participation by local societies in this work of training young men than was at first contemplated. The Insurance Library Association conceived the idea of offering class room instruction in the first year's course of the Institute. The Association had within its own membership several men well qualified to act as instructors, and they volunteered their services free of cost.

At first there was some question as to the interest of the youug men in whose behalf the work was to be undertaken. To determine this important point, the Board of Trustees of the Association voted in the winter of 1911 to inaugurate evening classes in fire insurance, provided twenty members of the Association should agree to attend them. Almost immediately a paper circulated among the local offices was returned to the trustees with twenty-three signatures. The board at once met and drafted its plan for class room work. The New England Insurance Exchange offered the use of its assembly room for meeting. As this adjoins the library reading room it was possible to correlate very closely the work of the library and lecture hall.

LECTURERS AND SUBJECTS.

Lecturers and subjects were assigned as follows:

W. B. Medlicott, General Agent, Atlas Assurance Co., Limited, Lecturer on Fire Insurance in Harvard University, The Standard Fire Policy.

Gorham Dana, Manager of the Underwriters' Bureau of New England, Building Construction.

Gayle T. Forbush, General Agent Royal Exchange Assurance, Correspondence.

Benjamin Richards, Chief Inspector, Underwriters' Bureau of New England, Fire Hazards.

Ralph Sweetland, Engineer, New England Insurance Exchange, Plan Drafting to Scale.

Meetings were held weekly on Friday evenings; there were two lecture periods each evening. The routine followed as closely as possible that of any night school, except that men were allowed to smoke during the lectures. Outside reading from books in the library was encouraged.

No tuition was charged, but attendance was limited to members of the Association. All who entered the classes were obliged to enroll in the roll book.

A careful record of attendance was kept.

The class room work consisted of lectures, assigned problems for outside work, questions and informal discussion. When it could be done to advantage a picture postcard machine was used to illustrate the text of lectures.

One hundred men enrolled for the courses. The average attendance was seventy-five. Twenty-six enrolled for the examinations of the Insurance Institute, twenty actually taking them. Sixteen passed in the three or more subjects required for full credit on the first year's work.

The success of the spring lectures lead to their continuance in the fall, when a second year's course was mapped out tentatively pending the report of the Institute's committee.

This course covered:

1. Fire Hazards,
   Electricity,
   Shoe Factories,
   Common Hazards.
2. Fire Protection: Private.
3. Local Agency Organization and Management.
4. Policy Clauses and Forms.
5. Elementary Rates and Rate Making.

The method pursued was similar to that of the previous winter. One hundred and thirty men actually registered. Deducting those who registered but did not attend any lectures there were enrolled one hundred and eleven. The average attendance was eighty-seven. Sixteen men took the examinations of the Institute, thirteen of whom passed.

An analysis of the employment of members of these classes, shows that they came chiefly from inspection bureaus and local agency offices. There were few special agents. Some came regularly from considerable distances; two coming from Providence, R. I., over forty miles away.

Already Philadelphia and Hartford are offering evening class instruction in subjects comprised in the Institute course. Philadelphia has gone even further and at this writing proposes to engage Professor Heubner of the Wharton School of Economics in the University of Pennsylvania, an insurance scholar of National reputation to supervise its work.

Why may not every fire insurance club represented in the Institute do the same? Why should not each club become a centre of educational activity providing not only access to the literature of fire insurance, but offering inducements to its use by the establishment of evening classes in fire insurance with courses of instruction following those laid down by the Institute's Committee on Examinations?

One may safely venture the assertion that in every association are men competent to give the lectures. And with the proper committee in charge they could be induced to do it.

It remains only for the directing boards of the several associations themselves to resolve to set upon the work their seal of approval.

I should like at this point to make a few suggestions to societies intending the formation of night classes. Their success will be aided if they will give heed to them.

First: Elect to your governing boards only men who are genuinely interested in insurance instruction, and who are willing to sacrifice some of their time in its behalf.

Second: Appoint a small committee on education—the smaller the better if each member is an enthusiast—and give it full authority to establish evening courses including the selection of lecturers and the mapping out of a lecture schedule. They should have absolute "say" in all matters pertaining to the course.

Third: Select for lecturers men who combine practical knowledge with the teaching faculty—a rare combination but one which does exist.

Fourth: Allow time enough for the work. Do not try to crowd into four evenings what ought to be spread over ten. You will be surprised as

you get into the work to see how every subject expands under the magic of a bright lecturer surrounded by interested young men.

Fifth: Do not crowd the lecturer. It is a mistake to suppose one man can give the whole course. It is better to assign, so far as possible, each subject to a man versed in that suject. You might find a general agent sufficiently versatile to handle Standard Policy, Law of Agency, Loss Adjustments, etc., but generally speaking each of these subjects should be turned over to an expert.

Sixth: Diversify the work. Use the projection lantern to illustrate building construction, manufacturing processes, etc. Encourage questions, and give out written work to be done outside the class room. If possible have specialists brought in from time to time to elaborate particular phases of each subject.

Seventh: Have each series of lectures, as for example, the series on "Standard Policy," in charge of one person. Let him invite others to give occasional lectures, if he chooses, but have him plan the series and see to it that every lecture fills its appointed place in a carefully developed whole. Otherwise your course will lack coherence. Indeed the Committee on Education must see to this, or the whole program may go awry.

Of course, however carefully one watches details he will make mistakes at first for the work is experimental. But if one follows the above rules in the main, all the while watching his own conditions, and does not fail in particular cases to discard them, if they prove ill adapted to his needs, he cannot fail of bringing his night-lecture work to comparative effectiveness.

It has not been my purpose in this paper to reiterate the possibility or the value of systematic instruction in fire insurance. Those most competent to judge both in and out of the business admit and emphasize both.

Fire insurance in common with other business and with the professions is undergoing a period of change involving greater specialization and increased responsibilities for those who manage its affairs. It was inevitable that sooner or later there should come a demand for a system of instruction which should better fit men for these more highly specialized and more responsible duties. The demand for a higher type of fitness is already here.

The view which company managers take of the necessity for such instruction is well illustrated in the case of the Springfield Fire and Marine Insurance Company, in Springfield, Massachusetts. The city of Springfield with eighty thousand inhabitants is not large enough to support an insurance society of its own. It is situated too far distant from both Hartford, Connecticut, and Boston, where insurance associations already exist, for

employees to attend the evening classes conducted in those cities. Consequently the management of The Springfield Fire and Marine Insurance Company has planned a series of educational lectures for its own employees which will be held during the present winter.

Education is the uniform unfolding of all one's faculties. Education develops the body, informs the mind, cultivates the will. Education begins in childhood, is advanced a few steps in school and college, but is continued through life. One's vocation is constantly remaking him whether he knows it or not. How important it is, therefore, not only that one bring to his business all the faculties of his personality, but that the business possess for him attractions and tasks worthy of a cultivated human being.

Fire insurance needs no apology. No business is more necessary; more fundamental; more essentially fraternal. None brings into play nobler principles of law or ethics. None calls for wider information, or greater versatility. As a subject of study for the one who is to apply its principles, none lends itself more readily to that systematized and orderly presentation which must characterize all instruction in the class room or from text books.

Shall we not, therefore, all resolve to further, by every means possible, the work begun by the Insurance Institute of America? Shall we not make every fire insurance society in the country a centre of educational activity, where young men may be encouraged and stimulated to pursue its courses not only in their own behalf, but in behalf of fire insurance itself?

(Applause.)

Note: For those who desire to read more on the general subject of fire insurance education the following references are given:

New York Fire Insurance Exchange—The Students Class of the New York Fire Insurance Exchange. Henry E. Hess, Manager. December 12, 1904. Including, a fire insurance analysis of a city block, by E. R. Hardy and P. J. McKeon. Pamphlet 6 pages, issued by New York Fire Insurance Exchange.

Insurance Institute of America—Proceedings of the first and second, and the third conference. Two pamphlets. John H. Kenney, Secretary, 131 South Fourth St., Philadelphia, Pa.

Association of Life Insurance Presidents—Proceedings of the fourth annual meeting. New York, 1910, 215 pp. Devoted almost wholly to the discussion of instruction in insurance, principally life. Contains some valuable reports on insurance education in schools in America and Europe.

Journals of The Insurance Institute of Great Britain and Ireland—Published annually by Charles and Edwin Layton, Farringdon St., London, England. Contains in each volume details of examinations including questions submitted in each branch.

The Insurance Institute of Toronto, Toronto, Canada—Proceedings. Published annually. Contains questions submitted for examination in insurance courses.

National Board of Fire Underwriters—Proposed insurance course. Dr. Alex. C. Humphreys. Proceedings 38th Annual Meeting, 1904, page 27.

The President—There is no doubt in the world that that is a very excellent paper, as I am sure you will all agree. There is no man on this Coast who is more able to discuss the matter of insurance institute work than Mr. Herbert Folger. I will ask Mr. Folger to say a few words in response.

Mr. Folger—Mr. President: I had the pleasure of reading this paper a day or two ago, and I have been impressed again with one remark which Mr. Handy made, that this business of ours is undergoing a change in the direction of greater specialization. There can be no doubt of it. I suppose, as business men, we realize that the first requirement of a successful man who occupies the position which most of you occupy, is to get business, or to be able to secure such representation as will get business. But, after all, that is only the first step. We find that quantity is far less important than quality—whether it is in the selection of risks or the selection of men. There was a time, not many years ago, when office boys were selected at the age of sixteen, with a high school education. The time has already arrived when many prefer to see them nineteen; and we not only feel that a high school education is essential, but, if practicable, a college education also. The Board of Underwriters, for some years, have endeavored to find men with college training, preferably in engineering lines, who may be able to serve better in their positions, because of that training. It seems to me, that, since Mr. Handy has paid us the compliment of having his paper read

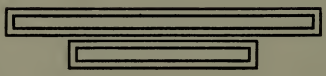
at our meeting rather than in the East, we owe it to him and to ourselves to see that some practical result grows out of it. The Fire Underwriters' Association of the Pacific blazed the trail for Library and Institute work. The Insurance Library of Boston is very proud of its record, and justly so; but its great library had not even heard of foreign publications when our library held the proceedings of eleven Institutes in Great Britain alone, and they got from us suggestions for the extension of their work. Also, this Association organized and equipped the first Insurance Institute in this country in 1905, with a course of lectures for ten weeks, at which the average attendance was about 150. But, Mr. President, while we have made this record, we cannot stand on it, because, to be honest with ourselves, we must admit that our associates in the East have now gone far past us. The San Francisco conflagration is a sufficient excuse for much of the inaction which has been noticed. The attendance at this meeting, to be quite frank, is a disappointment. I doubt if the number in this room is equal to what it was in 1892, when I read my first paper. The membership of the Association has grown. The membership of the Insurance Society of San Francisco, principally clerks, is said to have exceeded five hundred. There are few, however, who have sought to get the benefit of the educational advantages offered them. I think the feeling of most managers is that the question rests with each individual—freely give him opportunities, and if he fails to avail himself of them, he loses; for "many are called and few are chosen," just as much in business circles as elsewhere. It is too late, Mr. President, it seems to me, to review the paper at length now, but I think we have had something given us to think about. (Applause.)

The President—If the gentlemen will have just a little patience, though the noon hour is here, Mr. Washington Irving has a short paper, and he wants to get away this afternoon. I will say to you that Mr. Irving is a direct descendant of Washington Irving, the elder.

Mr. Irving—It is now the noon hour, Mr. President, and if it is more agreeable for me to read the paper at the afternoon session, I would be very glad to return at that time.

Mr. Thornton—I move that we take a recess until two o'clock, then, Mr. Chairman.

The President—It is so ordered, and I will ask you to please come here promptly at two o'clock, as we have a very long program ahead of us.



SECOND SESSION

Two o'clock P. M., Tuesday, January 14, 1913.

The meeting was called to order by President Mayer.

The President—The Secretary of the New York Insurance Institute addresses us in a telegram, which reads: "The Insurance Society of New York sends greetings and best wishes for a successful annual meeting." Mr. Secretary, please read the telegrams from absent members. They will be placed on file, and we thank them for kindly remembrance.

The President—Thank you, Mr. Secretary. I will appoint as the committee on the President's Address, and reports of the Secretary-Treasurer, Librarian and Executive Committee, Mr. T. H. Williams, chairman, Mr. A. W. Thornton, Mr. F. B. Kellam and Mr. Herbert Folger. Will those gentlemen please take notice. Next in order is the reading of a paper entitled "Some Ethical Considerations," by Mr. Washington Irving.

On the proof sheet of the program I had to make one correction, and then, having re-read the paper of Mr. Washington Irving, I am in doubt whether I should have made it. Instead of "Some Ethical Considerations," the printer had it "Sane Ethical Considerations," and I think perhaps it was a mistake to make the change. Mr. Irving will read the paper.

SOME ETHICAL CONSIDERATIONS.

Washington Irving,

General Agent, Phœnix of London, San Francisco.



Briefly defined, "Ethics" treats of the nature and grounds of moral obligation and of man's duty in respect to himself and the rights of others. Please emphasize the *"moral obligation"* and the *"rights of others."* Simple enough definition easily understood; but when it comes to an application of the abstract principle to a concrete case, the result is apt to be a trifle clouded.

What constitutes a "moral obligation?" To what extent do personal rights injuriously affect the "rights of others." Often there is ample room for an honest difference of opinion as to what really is a "moral obligation." Sometimes personal interest will, almost unconsciously, cause the "rights of others" to appear tenuous and shadowy.

Then again there are other arrangements. A rare case here and there where the sense of moral obligation seems wholly wanting and there is a rather frank and utter disregard of the rights of others. I suspect every one of us has in mind some particular instance where a man is so very busy with his financial obligations (to himself) that his moral obligations are forgotten; or who is so constantly "on the job" in looking after his own rights that he has no time to consider the rights of others.

Organization, I suppose, is the hall-mark of our modern advanced civilization. We organize everything now-a-days—politics, manufacturing, business, trades, avocations of various sorts—all organized. If we want to boost our city and its trade we organize a Chamber of Commerce; if we want special advantages for our immediate neighborhood or to fight a wicked trust, we organize a Mission Promotion Association. Wherever there are common interests, common aims or common wants — there you will find *organization.* Naturally and inevitably, the insurance companies and the men who serve them are bound by mutual interest into organizations of one kind or another.

Originally, all organization had for its prime object the idea of protection—a banding together of the individually weak for preservation against oppressive strength. With the development of the power of

organization the original object modifies itself. The protective idea persists, but organization no longer remains strictly on the defensive—it takes the initiative very often; actively combating or furthering measures for what is termed "the common good"—which being interpreted, means what the membership wants the most.

Our insurance organizations are modern in every sense. We come together for mutual aid, comfort and instruction (that's an ethical consideration); we are reasonably active in furthering the "common good" and we certainly are banded together for mutual protection. "Adverse legislation," particularly of the breed begotten by ignorance out of prejudice is a common danger that of itself would call for an organization for preservation. A great calamity has the same effect. Many other instances will suggest themselves.

And then, of course, there is always in our minds the idea of protection from each other — something highly necessary. We would surely have a gaudy time among ourselves without organization of any kind, or for any length of time. There would be many dead.

Always our organizations of whatever nature have for their guidance some set rules of conduct or procedure—by-laws or agreements—but the foundations of all organization are Ethical Considerations. There is no rule that can be framed that will enforce a purely "moral obligation;" no by-law that can be depended upon to secure that nice observance of the "rights of others" which is essential.

The finest commentary upon the character of the membership of our organizations is the fact that they remain. Mutual advantage, mutual protection; yes, mutual fear—all make most powerfully for permanence; but without the binding force of Ethical Considerations there would be disintegration: and the lack of these considerations suggests the only doubt of any lack of permanence.

This is all the more surprising when we consider how very human we all are. For human nature has not changed so much with the centuries. Under the thin veneer of modern civilization there still exist the instincts of the primordial man— just a plain, predatory animal.

To a large extent we live upon what we take from others of our kind. We stand over our accumulations, jealous, alert, watchful, anxiously guarding against loss, intensely alive to all possibilities of gain. We eagerly hunt "new business," very little of which is from newly created wealth for the first time insured. If our books show that for every dollar of "old business" lost *to* others, we have not gained a dollar and a half of "new business" taken *from* others, we are correspondingly unhappy.

And I may say by way of parenthesis that, in these days of lowering rates and increase in term insurance about this ratio of gain to loss must be obtained in order to keep up the volume of annual receipts.

One trait we have in common—an insatiable appetite. No matter how much we have we always want a little more. Some are even more noted for their appetite than for their power of digestion, cheerfully and greedily gulping down a liability they can by no means assimilate. Sooner or later they suffer from an acute attack of indigestion.

Another most human trait is our endeavor to secure the most advantageous position. We want the inside track (if we can get it); we jockey for position, manœuver for the weather guage — and we dearly would like to occupy a preferential place.

Now this last is foolishness. Equality of opportunity and equality of restraint is a basic principle of all law and of all organization. We may by ability, luck or good management attain and maintain an advantageous position here and there; but a preferential position is always open to challenge.

In spite of predatory instincts, insatiable appetite and the striving for a vantage point, we play the game, in the main, "according to rules." It is some points of the game which are entirely outside all present rules upon which I would like to touch lightly, always premising that any opinion expressed is purely personal and individual, and also disclaiming any idea of personal application or mere criticism of men or measures. It is simply because the matters are "outside the rules" that they are grouped under the designation of Ethical Considerations.

And this brings me to the subject of

"ANNEXES."

Annex.—Concisely put—two mouths to feed the one stomach.

The matter of the Annex has lately caused a deal of red hot controversy with which you are all familiar. I say *"lately!"*

Some few companies have been operating annexes among us for years without calling for particular comment. There were only a few. A majority of us then believed that for two mouths there should be a corresponding number of ways of disposing of what could not be assimilated and that sooner or later there would be congestion. There was. And then most of us were getting on pretty well, growing nicely from year to year, and satisfied with our growth. In the meantime the annexes were developing the food supply for the extra mouth—had suffered from their congestive chill and recovered or been decently interred—and the added sources of supply were growing more valuable every day.

Then conditions changed. There were many new mouths demanding to be fed and the power of digestion had increased. New companies by the score, new capital in the business, increased surplus — the competitive struggle grew keener.

At once there dawned the realizing sense that the fellow with two mouths and two sources of food supply was occupying a preferential position. The challenge was immediate.

Very many challenged by direct imitation. From the very nature of things there can be no patent on a preferential position. The "Colossus Underwriters" (there are several of them) found a faint reflection in the "Fly-by-Night Underwriters," with underwriters of sorts intermediate, until the landscape is fairly littered with them—all hungry.

There are still some left with a continuing belief that nature intended one mouth, and one only, to go with the one stomach and who now challenge the preferential position with the demand for as many sources of supply for their one mouth (be they few or many) as others have for two, keeping in mind always the undeniable fact that, after all, there is only the one stomach.

The controversy now is not over the number of mouths but over the number of sources of food supply—a question, not of "annexes" but of "agents."

It would seem idle to assume that the *only* way in which a company can obtain additional representation is by issuing separate policy contracts backed by the same capital and surplus, and with some more or less fanciful "underwriters" title. This is in direct—a beating around the bush.

And that principle of equality of opportunity to all would seem to forbid the enjoyment by some of the opportunities which are not accorded to all—that is, if our organizations are to endure.

The only basis of compromise now in sight—unless one side or the other recedes from its position — would seem to be a removal of all restrictions and the unlimited development of its sources of supply by each individual company. Followed to its logical conclusion this means, in short, "Every man his own insurance agent — and save the commission."

But what then becomes of the American Agency System—is it worth preservation? Now this is an Ethical Consideration.

MULTIPLE AGENCIES.

One agent for any one company — in any one city or town *and its vicinity*. That was the original idea. Then the agent was more than a mere producer, exploited as a source of supply. He was the "representative" of his companies. An "insurance man," not a "side-liner," with income sufficient to allow him to devote his entire time and energy to insurance matters with a consequent increase in knowledge and efficiency and a high sense of responsibility and loyalty to his principals.

The wording of his commission "*and vicinity*" meant something. The business of the little village and hamlet (too small to entirely support an insurance man of its own) and of all the surrounding country in his vicinity, came to his office to be intelligently handled and to form an important part of his commission income.

The ideal is changing. In the unsated appetite for premiums, the sources of supply are being over-exploited. One representative agent is no longer enough and so some of us are practicing methods of indefinite multiplication. Almost every one of us has two agencies in the principal cities—those with annexes have four or more. Many maintain more than one agent in the smaller towns, wherever they can find an opportunity; every village and hamlet has its quota of "side line" insurance agents and some of us make a practice of appointing merchants, manufacturers, warehousemen, winery men and the like, for the sole purpose of securing their individual business. This last is particularly unfortunate, as the agency commission is a direct rebate to the assured and open to all the objections that can be urged against rebating.

Every undue increase in the number of sources of supply decreases the value, efficiency and producing power of each individual source. The creation of additional agents, by annexes or otherwise, over and above the one principal representative agent in any one place and its vicinity inevitably reduces the volume of business procurable by that principal agent; lessens also his income, his interest in the companies he represents and his feeling of loyalty to them.

Then too the company maintaining several agencies in the one place is in the anomalous position of competing with itself for its business. Should our organizations break, this position would become immediately untenable. "Multiple Agencies" also spells "Disintegrating Force." Our agency plants are among our most valuable possessions. Shall we practice true conservation and protect them for all time or shall we over-exploit them in the attempt at some immediate advantage regardless of what follows? And this is another Ethical Consideration.

ADVENTITIOUS AIDS.

Under this heading I am grouping some of the many various—and devious—ways of stimulating business.

Now a certain amount of stimulation is necessary in order to avoid stagnation. Along recognized lines and within reasonable limits all aids to the proper increase and care for business are legitimate.

But over-stimulation is another story and the employment of methods which are superadded and do not properly belong to the business itself can best be termed "adventitious" and presented for Ethical Consideration.

Gifts—not all of them seemly or proper—are among these adventitious aids. We are growing away from the Christmas and New Year's reminders of calendar, pen wiper, pocket knife, paper cutter and all that kind of truck—these are no longer sufficiently impressive—each succeeding year brings with it a requirement for something handsomer — and more expensive.

Many who started these little gift enterprises in a small way years ago are now in the position of the man who had the bull by the tail—extremely unwilling to hang on but afraid to let go. Having started, they must keep up with the procession or a little ahead of it if they can. In the meantime it must be growing a bit burdensome.

The holiday gift is the least of it. There is no closed season on gifts—they may occur at any time of the year and any occasion will serve—weddings, births and anniversaries being favorites. These are not general gifts to all agents, but special gifts to special persons for the one special purpose. Generally they are something handsome. I have heard of solid silver plate, I have even heard whispered rumors of an automobile.

Little vacation trips for an agent is another form. Sometimes a company considers it so important to see a particular agent (on a matter of business of course) that he is invited to visit the head office for a conference and to bring his family; returning by way of southern California or Lake Tahoe, according to the season—the company naturally paying the bill.

Then there are minor ways of doing it—hiring an agent's automobile to inspect or solicit (particularly grain business) and paying rather over-liberally for its use—that is only one. I have recently heard a new yarn—about a special agent who sits for business in his local's office. When a new risk of any importance comes in he offers to bet ten dollars that his company does not get the entire line. Sometimes the local wins—we are all human.

Then, of course, there is the exploitation of the agent from the social side—over-entertaining you might term it. The personal note and the personal relation naturally exists — should exist — but we are emulating each other in overdoing it. With some few the social exploitation has reached the dignity of an industry and we are all "glad hand artists" to a more or less extent. I believe to a very unnecessary extent.

"Adventitious Aids." — Simply another name for the same old attempt to occupy a preferential position — and subject to the same challenge, by imitation or otherwise; because, sooner or later, their employment becomes surely known.

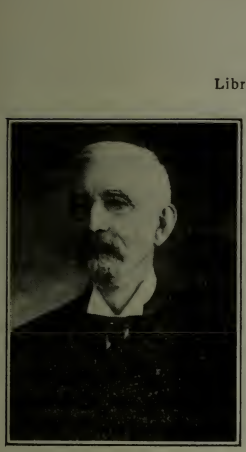
Are they really aids at all? Is not the supposed advantage to be gained only temporary and subject to attack and perhaps reprisals? Are they worth what they cost? Would not we all be better off without them?

These questions are submitted for Ethical Consideration.

The President—The next in order is a paper entitled "A Retrospect," by Mr. J. P. Moore, our Librarian. I am very glad that this paper was written, because Mr. Moore is one of the old pioneers, and he is one of the few who knew the conditions presented to us by him, and if we did not get them from this gentleman, we might not get them at all. So I am very glad to have this paper presented.

A RETROSPECT.

J. P. Moore,
Librarian, Fire Underwriters' Association.



I do not know that what I have to say today will be of any interest to you who are the young men of this Association.

To a few, a very few, my remarks may call up old scenes and old times, and remind them of the days gone by and the hands they grasped in friendly greeting.

It is well for us to know who were the men who formed this Association and what they did. How many of you know even their names.

I will tell you their names.

THE ORIGINAL THIRTY-TWO.

H. W. Snow, San Francisco,	L. L. Bromwell, San Francisco,
Wm. Sexton, "	R. H. Magill, "
Wm. Doolan, "	J. F. Houghton, "
J. McKenna, "	B. C. Dick, "
Wm. Macdonald, "	J. R. Garniss, "
J. A. Brumsey, "	Geo. F. Grant, "
Geo. W. Spencer, "	A. R. Gunnison, "
J. W. Staples, "	B. F. Lowe, "
J. W. Hart, "	Geo. H. Bigelow, "
A. A. Snyder, "	E. E. Potter "
A. D. Smith, "	Robert Dickson, "
H. H. Bigelow, "	Geo. D. Dornin, "
W. J. Landers, "	Henry Couhrough, "
C. Bradley, Newark, N. J.	W. J. Callingham, "
D. S. Kirby, Chicago, Ill.	W. W. Dudley, Chicago, Ill.
W. H. Levering, Lafayette, Ind.	D. Rarick, St. Louis, Mo.

These were the men who met after the Virginia City fire to establish this Association. It is not my purpose to write their biographies nor yet to give a history of their work. But that you may better understand the situation and that which led up to the founding of this Association, it will be well to recall some of the early incidents of the fire insurance business on this coast.

Conflagrations in San Francisco are not new, though the last, in 1906, was the greatest.

The first was on December 24, 1849, with an estimated loss of $1,000,000 and no insurance.

The next was on May 4, 1850, with an estimated loss of $3,000,000, not insured.

The next on June 4, 1850, with an estimated loss of $3,000,000 and no insurance.

The next on May 4, 1851, with an estimated loss of $7,000,000 and no insurance.

The next occurred on June 22 of the same year, 1851, with a loss of $2,000,000 and no insurance. Making a total of $16,000,000 in the two years.

By this time San Francisco people began to wake up to the necessity of insurance, and their Eastern patrons called for protection.

In 1852 there arrived in San Francisco one Joshua P. Haven (who, by the way, was not related to our honorary member, Mr. Chas. D. Haven). Like the Joshua of old days as given in the scripture, he was a leader, and by him was established the first insurance agency on this coast. His company was called "The Liverpool and London." You will note that it had not yet reached out to cover the globe as it has since done.

The next year, 1853, there came "The Monarch," "The Home," "The Park," "The Washington," "The Niagara" and "The Imperial."

In 1854 we had all the above named.

In 1855 in addition there came "The Northern Assurance," and "The Continental."

In 1856 "The Phœnix of Hartford" and the "The Unity."

January 6, 1857, these companies met and formed what they called "The Board of Fire Insurance." This was the first board formed on this coast.

A second board, as we shall see, was formed January 11, 1861, and was called "The San Francisco Board of Fire Underwriters."

A third, "The Board of Fire Underwriters of San Francisco," was formed on March 18, 1870. The name was subsequently changed to "The Fire Underwriters of the Pacific."

A fourth, "California Underwriters," was organized July 14, 1881.

A fifth, "The Pacific Insurance Union," was organized May, 1884.

The sixth, the present Board, the successor of "The Pacific Insurance Union," was organized in February, 1895.

Joshua P. Haven was the President of the first board, E. R. Falkner being the Secretary. The total premiums on city business during that year (1857) amounted to $145,644.

Thus far no local company had been formed.

On July 12, 1858, the first local fire insurance company on this coast was organized. It was called "The German Mutual Fire Insurance Company." Its President was J. W. G. Schulte; Vice-President, Frederick Meyer; Secretary, John Kohlmoss; Treasurer, Nicholas Van Bergen.

They did not join or bother themselves about the board that had been formed the year before. There were no daily reports or chasing to the board for a rating schedule for them. There were no local agents to bother them, and no specials in the field to worry them. They were insurance men and managers who took life easy.

They had an office for business and it opened at 2 P. M. and closed promptly at 3 P. M. each business day.

If you wished for insurance that was their hour and their only hour for business.

After 3 P. M. they could take a "stein" and smoke their pipe in peace.

You hard-worked managers of the present, were not those "good old days"?

By the terms of their articles of incorporation their business was confined exclusively to German people. It was no use for John Chinaman or any other nationality to call on them for insurance.

There were no moral hazards in insuring Germans. They did their own inspecting, and fixed the rate to suit themselves. Those sturdy old Germans stuck to their company and they paid their losses in full for ten long years, until certain politicians, who thought it time to have an institution in which to place a friend, organized on March 26, 1868, what they called "The Insurance Commission," and they passed a law requiring a paid-up capital of $100,000.

So, when the Insurance Commissioner asked them for this amount to be paid up, on the 24th of June, 1868, they ceased to do business.

Thus ended the first local insurance company of California. Of the men who formed it all have passed away.

In the ten years that had passed since the organization of the German Mutual, other local fire insurance companies had been formed and various companies had entered the state.

In 1861 were organized The California Mutual Marine, The San Francisco Fire and The California Lloyds.

In 1862, April 15, the Legislature passed a law requiring companies not incorporated in this state to deposit $75,000 in some bank or banks approved by state authorities.

In 1863 were organized The Merchants Mutual Marine, The Pacific, The Fireman's Fund and The California Home.

In 1864 The Home Mutual and The California Mutual Marine became The California Insurance Co.

December 15, 1866, began the war of rates which lasted for more than three years.

In 1867 The Peoples Insurance Company was incorporated.

In 1868 The Mechanics.

In 1869 The Oriental.

At the time when the Insurance Commission was established, in 1868, the following companies were doing business here:

The Liverpool & London & Globe.
The Northern Assurance.
The Pœnix of Hartford.
The Imperial.
The North British & Mercantile.
The Hamburg-Bremen.
The North China Fire.
The Ætna of Hartford.
The Manhattan.
The North American.
Ten outside companies, of which six were foreign, four Eastern.
The Fireman's Fund.
The California.
The Builders.
The German Mutual.
The Home Mutual.
The National.
The Occidental.
The Pacific Insurance Company.
The Peoples.
The San Francisco.
The Union.
Eleven local companies, total 21 companies.

The average premium income of all these companies was $98,304.

In that same year, 1868, on the 11th day of December, the "San Francisco Underwriters" entered into an agreement as to rates, commissions, etc., and published the first book of rates, known as "Rate Book No. 1."

This agreement was signed by the managers of the following companies:

The Liverpool & London & Globe.
The North British & Mercantile.
The Imperial Insurance Company.
The Northern Assurance.
The Hamburg-Bremen.
The Phœnix of Hartford.
The Home of New York.
The Ætna.
The Manhattan of New York.
The Phenix of Brooklyn.
The North American.
The Fireman's Fund.
The Home Mutual.
The Occidental.
The Union.
The Pacific.
The Peoples.
The California.

The vital questions of board or non-board, of rate cutting and of brokers and brokerage had been agitating them for some time. Here is how they met the subject.

I read from the agreement entered into at that time, viz.:

"We, the undersigned executive officers and commissioned agents of the several fire insurance companies doing business in the city and county of San Francisco and state of California, hereby agree and pledge our honor as gentlemen to adhere strictly to the following tariff of rates as minimum rates of premium for the transaction of fire insurance business in the Pacific states and territories, and that we will neither directly nor indirectly depart from said rates, nor allow any person or persons in our employment or under our control to depart from said rates, by the remitting of any portion of the premium, or by the remitting of any portion of the agent's commissions, or by any means whatsoever.

It is further agreed, by the signers of this agreement, that they will pay no commissions, rebate or compensation whatsoever for business offered by insurance brokers (meaning thereby persons who make a business of soliciting and controlling insurance from the public, and placing the same for profit). That they will not, directly nor indirectly, allow any commissions, discount or drawbacks to customers or their employees, merchants, clerks, savings banks or their employees or to any other persons, except as provided for hereafter, to wit:

It is understood and agreed that the signers of this agreement may employ solicitors who shall operate for them exclusively.

The names of all solicitors employed by the several companies and agents shall be furnished to the permanent committee of the signers of this agreement.

In the event of any such solicitor or employee making any concession on any policy or renewal solicited by him, either by returning any portion of his commission or of the premium or by gift, or in the event of a willful misrepresentation of the hazard to the office, whereby a less rate shall be fixed than the tariff dictates, or by any other act shall violate the letter or spirit of this agreement, it is hereby agreed, on the facts being presented to the office employing such person, he shall be summarily discharged.

And it is further agreed, that in the event of the discharge of any employee for such cause, he shall be utterly refused employment in any and all offices who are parties to this agreement.

Witness our hands this eleventh day of December, 1868:

A. J. Ralston, Secretary Pacific Insurance Company.
Gustave Touchard, President Union Insurance Company.
R. H. Magill, Manager Phœnix of Hartford and Home of New York.
W. B. Johnston, Agent Liverpool & London & Globe Insurance Co.
Geo. C. Boardman, Agent Ætna Insurance Company of Hartford.
Henry Dutton, Vice-President Fireman's Fund Insurance Company.
W. H. Tillinghast, Agent North British & Mercantile Insurance Co.
Geo. S. Mann, President Home Mutual Insurance Company.
C. F. MacDermott, President Peoples Insurance Company.
Falkner, Bell & Co., Agents Imperial Insurance Company.
C. Adolph Low & Co., Agents North American Fire Insurance Co.
B. Rothschild, Secretary Occidental Insurance Company.
Wm. Lane Booker, Agent Northern Assurance Company.
R. B. Swain & Co., Agents Manhattan and Phenix of Brooklyn.
Morris Speyer, Agent Hamburg-Bremen Fire Insurance Company.
Zenas Crowell, Secretary California Insurance Company."

Hostile legislation led them at this time to agree to give $600 per quarter to the charitable fund of the San Francisco Fire Department, with the understanding that the department would help them in their legislative fight.

They also ordered a block survey to be made of the city. 50 copies were to be furnished the companies at $50 per copy.

There was no Sanborn map then.

I shall not now enter into the history of the various boards, interesting as it is. I have spoken of their organization up to and including the present board.

The business of fire insurance steadily grew and kept pace with the increase of wealth and population.

Companies failed and others came.

In 1869 we had 9 foreign companies, 12 Eastern companies and 9 California companies. A total of 30 companies, with an average premium income of $87,834 each.

In 1870 we had 8 foreign companies, 11 Eastern companies and 8 California companies. A total of 27 companies, with an average premium income of $73,306 each.

In 1871 we had 8 foreign companies, 11 Eastern companies and 5 California companies. A total of 24 companies, with an average premium income of $60,951 each.

On September 15 the first number of the Coast Review appeared. This was the first insurance journal published on our coast. To it the insurance fraternity owes much.

In 1872 we had 10 foreign companies, 22 Eastern companies and 6 California companies. A total of 38 companies, with an average premium income of $62,595 each.

In 1873 we had 11 foreign companies, 34 Eastern companies and 7 California companies. A total of 52 companies, with an average premium income of $56,281 each.

In 1874 we had 13 foreign companies, 48 Eastern companies and 7 California companies. A total of 68 companies, with an average premium income of $46,171 each.

In 1875 we had 17 foreign companies, 50 Eastern companies and 7 California companies. A total of 74 companies, with an average premium income of $47,158 each.

In this year the Fire Patrol was organized.

On February 23, 1876, The Fire Underwriters' Association of the Pacific was permanently organized.

Article 2 of the Constitution tells us what they had in mind in forming this Association.

ARTICLE II.

OBJECT.

Its object shall be to promote harmony and good practice in the profession; the interchange of views, opinions and personal experience; the discussion of topics of interest to the profession, and the consideration of such subjects as may be brought before the Association.

To promote harmony. They had heard the discords of the last few years. The rate war made them feel the need of "good practices" in the profession.

Insurance as a business meant more to them than a scramble for premiums. It was a "profession," just as much so as that of the lawyer or the physician. It carried with it, as do all professions, the idea of study, and, too, it carried a sense of honor, such as belongs to a high and noble calling; hence they said "good practices in the profession." They were men of no ordinary ability. Many of them had been trained in college. They knew, and felt, the burden that had been placed upon them.

This is what the President said the day they adopted the Constitution:

"I believe we are all convinced of the value and importance of our Association. While its decisions have no legal force, they may, and should have an influence quite potent for good to the interests of the fraternity.

"But we must not forget the main object of our organization, which is to educate—first ourselves.

"In this profession we must ever be learners. Hence the need of this Association that we may, by the interchange of views, opinions and personal experience, assist each other, each one adding his quota to the common fund of information, thus becoming co-educators."

I have the greatest respect for and admiration of those brave and brainy men. They resembled in many respects the Pilgrim Fathers. It was a hostile land to which they came. They had to lay the foundations for future generations. They could get no help from their old homes in the East, for they, too, there were struggling against unjust taxation.

If you look over the history of insurance in the Eastern states you can not fail to be struck with the likeness of their fight to that on this coast which raged for many years.

The legislators here felt and said that the insurance companies must be milked and they fattened on the milk diet.

There were wars of rates such as we now know nothing of.

Tariffs were fought over, there too, was the question of fire department and water supply.

Loss adjustments were a sore perplexity, and many years passed before the acceptance and establishment of the "Kinne Rule."

Special agents were to be trained and sent forth to a life of hardship such as you of today can hardly imagine.

"Those were the days," said one of our Presidents, Mr. Z. P. Clark, "when I entered upon the tempestuous sea of underwriting without a tariff for compass or experience for a rudder. I made my rate and wrote my policies by the same rule that governed the old Wisconsin pioneer in making his sapling sled 'by guess and by gosh.' "

I have called them brave and brainy men, for so their works do show.

An Eastern writer of note when alluding to the subject of insurance says: "no more valuable papers on insurance than those of the Fire Underwriters' Association of the Pacific have ever been written."

There are in all the world perhaps six complete copies of the Proceedings of this Association. It is due to this fact that I have prepared for you, and herewith present, "a complete list of all the papers read before this Association up to and including those of 1912."

* They are arranged alphabetically by subjects. The title, the author and the year in which read are given. You will thus be able to learn what has been done by those who have gone before you.

As one who walks in his garden gathers here and there the choicest flowers, whose perfume, fruit or beauty, may please his fancy, so among your number has death walked hither and thither gathering flower and ripened fruit.

We should fail in our duty if, in this retrospect, we forget those who, having borne the burden and heat of the day, have gone to rest.

Of those who entered into, and agents or managers who signed that agreement in 1868, and gave us Rate Book No. 1, but two remain.

Of the original 32 who were the founders of this Association there remain but 8. Three of these veterans are still in the field and are active.

I know that you, one and all, wish with me today that they may be spared for years to come. We can but thank them for the work they did and wish them health and happiness for their remaining years.

"Where are the others?" Voices from the deep caverns of darkness answer me, "they sleep."

"I name no names; instinctively I feel
Each at some well-remembered grave will kneel,
And from the inscription wipe the weeds and moss,

* The list of papers referred to is published in these proceedings, following the Knapsack.

For every heart best knoweth its own loss.
I see their scattered gravestones gleaning white
Through the pale dusk of the impending night;
O'er all alike, the impartial sunset throws
Its golden lilies mingled with the rose;
We give to each a tender thought and pass
Out of the graveyards with their tangled grass,
Unto the scenes frequented by our feet
When we were young and life was fresh and sweet."

(Applause.)

The President—Mr. Moore has given us a very valuable historical review of the Pacific Coast business. It is a sketch which will be read by every insurance student on this coast, and not alone on this coast, but in the United States, and again, not alone in the United States, but it will be read wherever English is spoken and understood. On behalf of the Association, I thank Mr. Moore heartily for this paper.

I want to remark now that there are several papers here, pamphlets, which can be bought from the Association. I want, also, to remark that those who have made application for membership, and have not paid the membership fee, as yet, should be reminded that the same must be paid before they can expect to be admitted to the banquet tomorrow evening.

Next in order is a paper entitled "Shingle Mills," by a young man who was doubtful whether he should write a paper, on account of his inexperience. But, upon my advice, he has tried it, and I know he has done well, and I am sure you will agree with me. Gentlemen, Mr. Emerick.

SHINGLE MILLS.

Frank L. Emerick.

Special Agent Fireman's Fund Insurance Company.



The subject of this paper relates to a class of risks of the utmost importance to companies operating in the Pacific Northwest; it includes the most hazardous risks with which we have to deal. It deserves our most careful attention and I certainly should have been glad if your worthy President had entrusted the matter to more able hands. I do not expect to enlighten those members of our Association whose duties call them to survey this class of risk, but rather seek to convey to those gentlemen, who have no opportunity of seeing for themselves, some of the process carried on and the attendant hazard.

NUMBER.

There are in the neighborhood of 400 shingle mills within the boundary of that part of the state of Washington west of the Cascade Range, comprising the great timber belt, Snohomish county leading with more than one-fourth of the entire number; Whatcom county being a close second.

KINDS.

The shingle industry is carried on in two classes of mills, the wet log and the dry log, dependent on whether the logs or bolts are kept stored in the water or whether they are sawed direct from logs or bolts which have not passed through the water. However, a strong distinction should be drawn between the hazard of mills that cut and allow its logs to lie for a season in the woods before they put them through a mill, and those that work up green logs. A like distinction should be drawn between the mills that cut logs which have been in the water for a considerable time and the mill that is working on logs dumped into a small pond of about 20 feet by 150 feet wherein the water is sometimes too shallow to float the larger logs and in which the logs and bolts lie only a short period of time. In such case the pond is only an excuse to secure the credit in rate of a wet log shingle mill. It is a rank fallacy, for to be a real wet log mill and to

eliminate the hazard of dry dust, the logs must have been floating in the water long enough to have become saturated. Therefore, the fact that a plant is called "wet log" does not always mean that it is a more desirable risk than a "dry log" mill. To the writer the ideal "wet log" shingle mill is the plant located on tide water where logs can be had in the open market or situate along a body of fresh water, where logs and bolts floating down from many a streamlet are gathered, or into which the railroad company can dump logs or bolts, thereby the mill gaining access to a large territory with inexhaustible supply.

Whereas a dry log plant, perhaps, with a small artificial pond supplied with water from a small brooklet or through a pump, thus gaining the name of a wet log shingle mill, which usually indicates a small plant, cheaply constructed, located far away from transportation, with a limited supply of timber belonging to the mill man or possibly to a small rancher in the vicinity. Frequently the supply consists of cedar stumps left by the loggers some years ago at a time when they were rather extravagant and cut the trees some six to ten feet above the ground. It is true, when these stumps are cut into bolts they make very desirable shingle material, but the plant is not a desirable risk on account of its scant supply.

PROCESS.

If logs are used for timber they are drawn into the mill in like manner as at a saw mill where they are sawed and split into blocks similar to those made from bolts. Bolts, by the way, are simply 4-foot lengths cut from trees and split into quarters for convenience in hauling. They are hauled by wagon or sled from the woods to the mill or floated down a small shallow stream.

The "upright," "double block" and "ten block" comprise the several types of shingle machines. The first named is the most popular. The process is slower, but the result better than if made in any other manner. In this type the saw travels vertically, only one block being in the machine at a time. The sawyer feeds the machine and also joints the shingle in a circular rotary plane. From the machine the shingles drop to a lower floor where they are packed into bundles of 250 shingles, then piled on trucks and run into the kiln where they are dried either by hot blast, which is hot air being fanned into the kiln (this process is obsolete now), or steam heat. For drying heavy green timber it takes in the neighborhood of fourteen days at an average temperature of 170 degrees for best results and for the dead dry timber it takes about one-half that time.

MORAL HAZARD.

I believe the moral hazard is the most important part in accepting a shingle mill risk. No doubt it has caused a large percentage of losses in recent years. The fact that a plant is making money for its owner is the very best protection. He is prosperous, has his machinery in shipshape order, takes every precaution, stands watching day and night, as it were, with a pail of water in his hand, has the best watchman money can hire, one that is strong and active, of good judgment and capable of quick action in case of emergency. The very best judgment is often required to know when to stop and fight the fire and when to run and give alarm; these qualifications and duties seem a great deal to expect of a man occupying a humble position of watchman, but it should be borne in mind that in most plants thousands of dollars of property are in the watchman's sole charge for a large portion of the time. It is false economy to try and save a few dollars by hiring cheap and inefficient men for such service; too often the plant is left to the watchman whose only qualification is that he will work for small pay or he is an old employee who is long past his years of usefulness, or he is a cripple who is not able to do hard work, or he is an ignorant foreigner who has not been in this country long enough to know English. Not that the mill owner would intentionally cause the plant to burn, but many have all their capital, the earnings of years, tied up in the mill and sometimes the plant is heavily mortgaged in addition. When the bottom drops out of the shingle market and he is losing money and feels he cannot afford to pay a competent millwright, but replaces him by a second rate man who is a "jack of all trades;" allows the line shafts to get out of alignment, the machinery is kept in poor condition, possibly running too fast, creating friction, and hot boxes develop fire and the destruction of the plant must ensue. To cut expenses further, the night fireman is merged into night watchman and clean-up man. It is impossible to serve two masters; if he clean the mill as it should be, the fire box must be neglected, and good work cannot be done with inefficient service. With the use of the Dutch oven the hazard is still greater.

In such a plant we seldom find a retaining wall, or a bin for refuse. There is always danger of the fire crawling from the opening in the oven to the pile of cedar dust. On the other hand, if the cleaning up is slighted, the dust hazard through the mill is greatly increased and with the increased danger of the hot box, occasioned by the absence of a competent millwright, a complication of hazards is set up. And again, possibly the timber supply is exhausted and it is cheaper to sell the mill to the insurance company for possibly 50 per cent of the original cost, depreciation being very heavy on

machinery of this type, than it is to move the plant to new timber. Such conditions have existed for the past four or five years. There are now signs of more satisfactory conditions. The shingle market, which has been starved for some time, is picking up On the other hand, desirable timber locations are becoming more scarce. Fewer mills are being built and those that are, I believe are more nearly up to standard. The educational work of the surveyor's office, by charges for shortcomings and credits for betterments, has had its beneficial effect. More frequently the lumbermen contemplating building now gets in touch with the surveyor's office to the end that the mill may get a rating as low as possible.

PHYSICAL HAZARD.

We, of course, have in mind the construction of the standard mill, but let us go behind the scenes and look upon the real conditions. A very small percentage of shingle mills, as compared with lumber mills, are built up to standard. There are exceptions, however, but the average mill is rather cheaply constructed, oftentimes on piles over tide flats.

Blower systems are hardly known in shingle mills and for that reason the accumulation of dust is more abundant than in other classes of mill risks. I only know of one shingle mill located at Anacortes which has a blower system installed. Shingle dust is a great conductor of fire. It is even dangerous to direct a small stream of water into a pile of burning cedar dust; the burning particles will float on the water like so much oil and has a tendency to explode. A fire that cannot be extinguished with a few pails of water, may as well be counted beyond control. Not enough stress is placed on the necessity of barrels of water with fire pails. The old time experienced mill men will tell you how essential they are.

The boiler is usually located in the main mill building with not as much as a one inch frame partition to exclude the stray sparks from either fire box or from cracks in a defective brick boiler jacketing. Too often the steam pump, the only source of water supply, is installed in the boiler room, and at just the time when it is most needed, it is out of commission. Oils are frequently kept in the boiler or engine room, with no drip cans to catch the waste oil, but is allowed to saturate the floor and mix with an abundance of dry dust, constantly accumulating.

If it were possible to get the mill men to whitewash the inside of their plants, it would not only give the protection that is usually expected from whitewashing, but would show up the dust more plainly and demonstrate to the mill owner the necessity of keeping the plant swept clean. The indifference in the care of old used cotton waste is simply dreadful.

A standard refuse burner is too expensive for the average small shingle mill, therefore the open slab fire is much in evidence and this is another reason why a competent watchman should be on the job all the time.

KILN.

I think too much emphasis is attached to the construction of the kiln and that not enough attention has been paid by insurance men to prevent overheating. There are various causes of fire in kilns, but I believe that the usual cause is overheating. Experiments have been carried on by certain mill men and by Prof. H. K. Benson, who holds the chair of Industrial Chemistry at the University of Washington, and these experiments show conclusively that many dry kilns destroyed by fire, supposed to be of incendiary or other origin, have been due to spontaneous combustion.

In determining what products can be obtained from wood for commercial advantages, it was found that when cedar was subjected to a perfectly safe temperature for a sufficient length of time to entirely remove the moisture from the wood, it immediately thereafter began to absorb heat and to form certain dangerous gases, for cedar is filled with thousands of cells. At the time the timber is cut these cells are filled with air and water. The drying process causes evaporation, leaving air spaces in each section of wood and reduces the fibre to a very thin substance almost like tinder, therefore the excessive heat causes a charring of the shingles, and if this is not checked the shingles are likely to burst into flame.

The cause of overheating is due largely to the present system of marketing the product. Shingles are sold by the thousand and it is to the advantage of the shipper to have them weigh as little as possible. If they weigh less than the customary weight, the difference in freight is just so much profit to the manufacturer. This leads naturally to forcing the kilns to obtain what are called "underweights." If there is no legitimate profit, the manufacturer just makes his margin on underweights. This temptation is removed when the product is shipped by water and would be removed in all cases if railroad companies would base their freight charges on so much per thousand shingles, instead of the actual weight. Fires in kilns of lumber mills are infrequent as compared with those in shingle kilns. Kilns which burn from overheating do so at a temperature of over 180 deg., a temperature below 180 deg. is not dangerous. Old time mill men tell me that when the temperature reaches 200 deg. the control is gone, and the heat is likely to jump as much as 25 deg. to 30 deg. in a few seconds.

KILN CONSTRUCTION.

Of course it is understood that a brick, concrete or crib construction kiln is safer, but from the standpoint of salvage it has no advantage over

the cheaply contructed kiln. Usually the insured carries what we might call only accident insurance, just enough to cover as near as he can figure to repair the brick or concrete kiln. It is generally understood that steam pipes should be well away from the wood, that there should be a dirt floor, the kiln whitewashed inside, and a flat roof with no concealed space underneath. Frequently not enough attention is given to the admission of air at hot end of the kiln and the ventilating stacks at wet end for the purpose of securing a draft, thus keeping up the circulation and eliminating the hot dead air. Dampers in the ventilators should not be overlooked. Some mill men make fun of the idea of live steam jets, nevertheless it has been proven to my satisfaction that they have been instrumental in smothering out fire if the draft is shut off. The thermometer, as usually installed, is of very little use, because it is put near the middle of the kiln, separated from the outside air by a light pane of glass or a thin shingle. It should be in the hot portion of the kiln, that is, near the roof at the dry end where it will get the full blast of the heat. Perforated pipe sprinklers to flood the kiln have proven to work successfully along with live steam. In case of fire in the kiln turn on the live steam together with the sprinkler, shut off the drafts, keep the doors closed, insert a stream of water through the port holes on the side of the kiln near the top. Many an old dilapidated looking kiln will stand where the supposed up-to-date brick kiln will fall before the ravages of fire. So far as I am able to find, the record of fires is held by two up-to-date equipped plants with brick kilns. Each has burned three times. The secret is simply this: The old dilapidated kiln is so far from air tight that it is impossible to get the temperature above 150 degrees to 160 degrees. It is assumed that shingle mills have been as a class unprofitable. However, I am of the opinion that if companies, which write freely on shingle mills, should segregate this class and not include lumber mills of various kinds, it would be shown that shingle mills do not reduce the average.

SCHEDULE FOR RATING OF SHINGLE MILLS AND DRY KILNS.

The rates arrived at in the Pacific Northwest through the use of the following schedule, put the shingle mill business in a very different light as compared with the rates that existed in northern Wisconsin and other sections of the Northwest.

SCHEDULE FOR SHINGLE MILLS.

Basis	$4.00
A.—Construction—standard—fair	.18
Cheap	.35
B.—Faults of management or conditions—untidy, etc.	.35
C.—Shingle roof	.35

D.—Shingle roof—with barrels of water and metal fire pails or open sprinkler system .18
E.—If not whitewashed inside or painted with fire retarding paint 18
F.—Using dry logs or bolts 70
G.—Oil room in mill or within 40 feet 10
H.—No watchman 18
I.—Watchman without approved watch clock 10
J.—No fire pump, hydrants and hose 70
K.—Without city fire protection or water tank 70
L.—Without water barrels and metal fire pails inside on each floor 18
M.—Without ladders to roof 10
N.—Open lights 35
O.—Boilers in main building or within 10 feet 70
P.—Brick, crib or iron-clad boiler houses—follow saw mill schedule . . . . . .
Q.—Metal stack without spark arrester over wooden roof 35
R.—Metal stack less than 30 feet above highest point of mill 18
S.—Stove pipe 35
T.—Artificial stone, cement or terra cotta chimney 10
U.—Refuse or slab fire within 100 feet 1.40
U.—Refuse or slab fire, over 100 feet and within 150 feet 1.05
U.—Refuse or slab fire, over 150 feet and within 200 feet 70
U.—Refuse or slab fire, over 200 feet and within 300 feet 35
V.—Exposures—apply schedule or tariff as provided . . . . . .
W.—Dry kiln exposure—follow schedule precentages of dry kiln deficiencies . . . 4.20

Within 20 feet charge 50 per cent.
20 to 40 feet charge 40 per cent.
40 to 60 feet charge 30 per cent.
60 to 80 feet charge 20 per cent.
80 to 100 feet charge 17½ per cent.
100 to 120 feet charge 15 per cent.
120 to 140 feet charge 12½ per cent.
140 to 160 feet charge 10 per cent.
160 to 200 feet charge 5 per cent.

DEDUCTIONS.

Approved automatic sprinkler system, with 70 per cent co-insurance clause, 2 water supply, 50 per cent; 1 water supply 25 per cent.

SCHEDULE FOR SHINGLE DRY KILNS.

Basis $6.00
A.—Standard—cheap—fair 70
B.—Wooden floor 35
C.—Shingle roof 35

D.—No perforated pipes on roof and inside 70
E.—No steam jet in kiln 35
F.—Steam pipes on wood supports or on iron supports, within 2 inches of wood . .70
G.—Hot air blast 1.40
H.—No fire pump, hydrants and hose 70
I.—Without city protection or water tank 70
J.—No watchman nights, Sundays and when works not in operation 18
K.—Watchman, but without watch clock in use 10
L.—No thermometer 18
M.—Refuse or slab fire, 200 to 300 feet 35
M.—Refuse or slab fire, 150 to 200 feet 70
M.—Refuse or slab fire, 100 to 150 feet 1.05
M.—Refuse or slab fire within 100 feet 1.40
N.—Exposures—apply schedule or tariff as provided . . . . . .
O.—Mill exposure—Follow schedule percentages of mill deficiencies 2.80

Within 20 feet charge 50 per cent.
20 to 40 feet charge 40 per cent.
40 to 60 feet charge 30 per cent.
60 to 80 feet charge 20 per cent.
80 to 100 feet charge 17½ per cent.
100 to 120 feet charge 15 per cent.
120 to 140 feet charge 12½ per cent.
140 to 160 feet charge 10 per cent.
160 to 200 feet charge 5 per cent.

Approved automatic sprinkler system, with 70 per cent co-insurance clause, 2 water supply 50 per cent; 1 water supply 25 per cent.

I believe a more severe penalty should be exacted for the lack of a competent watchman, the absence of barrels of water with fire pails, together with a thermometer that registers the exact temperature. These may seem rather insignificant, but not so when we consider that the pilot of the boat and the engineer of the train are ever at their posts: they know that the machinery must be in shipshape order, that their steam must be right, or the worst is likely to happen. If the same care would be applied in the case of the shingle mill the hazard would naturally be reduced.

(Applause.)

Mr. Tiedemann—Mr. President, as a matter of information and guidance, I would like to ask Mr. Emerick, if he has determined, out of the hundreds of shingle mills to which he has referred, what percentage of them can be classed as standard or desirable as insurance risks?

Mr. Emerick—It depends on how your company looks at it. Possibly you would find, of the classes I have been treating, ten per cent that you would think it safe to underwrite. But when you look at it as we do, it is a little different.

Mr. Tiedemann—Thank you.

The President—Mr. Emerick has given us a good deal to study in this paper, and I am very sure the gentlemen present will appreciate it, and I believe he is a more valuable man to his company after writing this paper. I want to put this before the young members of the Association, who have never read a paper, that you are each a better man for your company after you write a paper to be read before this Association.

Mr. Kinney—Mr. President, I have listened to Mr. Emerick's paper with a good deal of interest, and it sounds to me much like a cotton gin paper. Not having any information on a subject of this character, as I have never written a shingle mill, I would like to ask him a question or two. In the cotton gin business we found it quite unprofitable to write simply on the cotton gin alone, while operated by the man owning it, yet, when operated in connection with cotton seed oil mills, we found them more profitable, because the watchman at each place was better than if the property had been a smaller one or a less valuable one. In the northwest there are a good many shingle mills in connection with saw mills. I would like to know whether Mr. Emerick thinks a shingle mill in connection with a saw mill is any better as a risk than the shingle mill alone?

Mr. Emerick—It is, for the same reasons that you have outlined. My paper endeavored to touch on that small individual shingle mill which has proven so undesirable for the average company, for the reasons you have mentioned. They may be down and out, and may have little capital, so that the least drop in the shingle market would leave them idle. A shingle mill

connected with a large saw mill is taken care of equally as well as the saw mill itself. The physical hazard is the same, but when you consider the care, the cleaning up and the more careful watching of the combined plant, the hazard is much better.

The President—Next on the program is a paper entitled "The Conflagration Hazard of Los Angeles, California," by Mr. George F. Staniford. Mr. Staniford will read the paper.

THE CONFLAGRATION HAZARD OF LOS ANGELES.

Geo. F. Staniford.

Special Agent Fire Association.



The subject of this paper is one that no doubt will be considered with interest by those of the insurance fraternity who have not had the opportunity of personally inspecting the business, residential, and suburban districts of Los Angeles, and it is the purpose of this article to bring closer before the fire men who read of, and have not seen the rapid growth of the city.

No city in the history of the nation has likely attracted as much attention from the financial world, with the investment of millions of dollars in the highest class of income-bearing property as has the city referred to in this paper.

Beginning a half century ago with its primitive construction of adobe and brick, hardly averaging two stories in height, the city now presents a picture of development that can hardly be realized by anyone other than permanent residents.

Sanborn Map has been watched with interest with its regularity of corrections, and the insurance mind has studied the changes from frames, four-story bricks removed, to modern concrete or steel constructed ten and thirteen story buildings, and this has been a pleasure and study for insurance experts the world over, watching and reading the change in the development of this great city, to modern construction buildings of the maximum height permitted by law.

In this transformation of removal and reconstruction, the underwriter has taxed his wits, with Sanborn's Map, special agent's reports, manager's personal inspection, and other mediums to arrive at a logical conclusion as to block lines that a company should maintain, when suddenly by continued building activity, the tearing down, and building in place, tall modern buildings of large area, creating in themselves an insurance individuality that has compelled companies to revise entirely their method of determining block lines, and making special lines on such buildings entirely independent of regularly established block lines.

This departure is most likely caused by fire-proof construction of such large areas, embodying in itself a special and distinct line where little hazard exists, hence a very large authorization as compared with former block lines, in which the building itself is located.

MODERN CONSTRUCTION.

The hazard of every block that has had the benefit of this class of construction, has been very materially reduced by the removal of frames that have been a menace to the block in which it was located, and the new modern structure, with wire glass windows and protected openings forming a barrier, that much thought and consideration should be given by experts, *such* elements have been conducive to enlarging liability in the congested district and I think wisely, as conditions are for the betterment of insurance interest, *but* it must not be understood that all the modern construction buildings are equipped with proper openings and wire glass windows facing closely to other buildings, as this deficiency is noticeable in several instances, and the absence of wire glass windows and enclosed elevators, in buildings of the older construction of six and seven stories is common, these deficiencies must be ascertained by personal inspection in determining liability for special lines.

A year or two ago, and in fact to the present time, it has been a pronounced opinion among resident insurance men that a hazard existed in this city that was of far more importance, and endangered the retail dry goods district to a greater extent than the faulty construction, and improper regard for protection of openings in the interior of blocks to which the National Board of Fire Underwriters refer particularly in their report of May, 1910.

HILL SIDE APARTMENT DISTRICT.

The hazard referred to, forming what is known as the "Hill Side Apartment District," extending from First to Fifth streets, Hill street to Bunker Hill, the latter being the crest of the hill, contains many frame hotels, apartments, and rooming houses, of large area, referred to briefly in

the National Board report on page 48, hardly conveys the idea that this district forms a menace to the retail congested district, and it was this hazard that prompted this article, believing it to be a serious question for close investigation in determining a maximum line for a company to carry, in the congested district with this hazard next door to it across Hill street, 80 feet distant.

In watching this district for five years, wondering what would happen in a high wind which frequently prevails, were a fire allowed to get away on Grand avenue, sweep over the top of buildings on Olive street, and with the reinforcement of flame and heat gathered up in its path cross Hill street to the millions in stocks on Hill, Broadway and Spring streets.

Such a fire would prove a great conflagration, and would involve millions of dollars, should only one block be destroyed.

There can be no question but that this feature is the most important hazard endangering the business district, the hazard still exists, and should maintain a position in the establishment of certain block lines, where the heavy values are maintained.

To the credit of this hazard, it is a noteworthy fact that the west side of Hill street has been almost completely built *in* with modern construction buildings, such as Wright & Callender building, southwest corner Hill and Fourth streets, nine stories; Black building, northwest corner Hill and Fourth streets, eleven stories; Luckenbach building, Hill street, between Third and Fourth streets, eight stories; Ferguson building, southwest corner Hill and Third streets, eight stories; Young Women's Christian Association, next north, seven stories.

This condition has resulted during the last three years, and these modern buildings of reinforced concrete, or steel, have formed a partial barrier to a possible side hill conflagration extending to the business center.

NATIONAL BOARD'S RECOMMENDATIONS.

The recommendations of the National Board in their last report, for the increased protection of the business district is being constantly complied with and demonstrates that the city government is alive to the requirements necessary for the fullest protection to the city from conflagration.

The National Board's recommendation for larger mains, new type hydrants, hose, additional fire apparatus, transformation of horse driven to motor driven machines, increased number of fire houses in the business district and outlying districts, and stand pipes on First, Second, Third and Fourth streets, running from Hill to Bunker Hill, establishment of auto truck and additional hose in the Bunker Hill district to handle and operate

hose, *pumped* to them, by the engines on hydrants at Hill, First, Second, Third and Fourth streets, making quick and efficient service, have been complied with.

These improvements made since the report of the National Board are creditable, and deserve much consideration in the establishment of a company's carrying capacity.

The widening of San Pedro street, South Hill street, South main street and Eighth street, are further evidences of the desire to prevent great fires in the future.

The manufacturing district on the Los Angeles river line, contains no well defined conflagration hazard, being mostly individually located, not badly exposed.

The wholesale district is being improved every day in the modern construction of concrete and bricks, and many barriers have been formed by such buildings.

The conflagration hazard then is fast being decreased by better construction, displacement of old buildings, vast improvement in enlargement and extension of water mains, increased number of fire stations, apparatus, and auto equipment, and what has appeared to be a serious hazard to the business section, is now improved to an extent that one must go thoroughly into the details referred to in this paper to properly appreciate the wonderful changes happening along the line to make the condition better and I confess, (after gathering data to supply this information, conference with firemen, reasoning out hypothetical problems of the handling of big fires,) that I have labored under a great deal of unnecessary strain for the welfare of my companies, and after the lesson is learned, I assure them of my conviction that Los Angeles is improving in its protection equipment proportionally to its rapid growth. (Applause.)

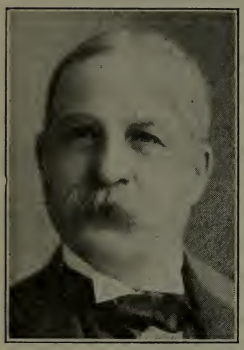
The President—The next paper on the program is by a gentleman well known to you, the Secretary of the Brokers' Exchange of this city, Mr. D. A. Spencer, and his subject is "Fire Insurance and the Community." Mr. Spencer.

Mr. Spencer—Mr. President and gentlemen: I will say preliminarily that I took my paper home to try it on my wife, and she said she didn't think it was very interesting, but she hoped this Association might look at it in a different way.

FIRE INSURANCE AND THE COMMUNITY.

D. A. Spencer.

Secretary Brokers Exchange, San Francisco.



In these days of complaint against the high cost of living, every element that enters into the cost is subject to criticism by the great majority, and fire insurance rates naturally fall into line for censure. A large proportion of the additional cost of these elements that enter into our daily life are due to natural causes for which the only remedy is greater production at less expense, but a material portion is due to inefficiency. The economic features of this question are too large for discussion in this paper, and I will limit my remarks to the cost of fire insurance, and the possibility of convincing the community that the rates are reasonable.

When buying an automobile, a sewing machine, a house, a suit of clothes or our food supplies we can see what we get for our money, and whether the vendor is making a profit of ten per cent or two hundred per cent cuts very little figure. The thing we purchase is before us, and if we want it we take it. A fire insurance policy is different. We pay say $50 for a nicely engraved piece of paper, which promises, under conditions, to pay $5,000. We are confident the conditions for payment will never arise, but feel we ought to have it, though we are just throwing our $50 into the coffers of this corporation, the larger portion going to help pay enormous dividends to the greedy stockholders. While the odds of the gamble given by the corporation are apparently large, in this case 100 to 1, the odds are too small because it is nearly all profit. This seems to be about the usual course of reasoning of the average purchaser of a fire insurance contract, and it is because the community as a whole believe the profits of fire insurance companies are excessive, that the legislatures of the various states are flooded with legislation to control rates, or make the companies pay for something not in the contract.

The members of this Association, who have given the best years of their lives to the solving of the innumerable fire insurance problems, know that the business is an extremely hazardous one to the investor, and like all such investments must hold out some promise of reasonable reward or

there would be no fire insurance companies. The necessity for such companies to the commercial world is well known, and the average insured would readily agree that the stockholders in the companies are entitled to such returns upon his investment. The main question is: Are these returns unreasonable?

To answer this question it is necessary to go into the history of fire insurance companies of the United States for the past fifty years. During that period over one thousand stock companies and as many mutuals have either failed or retired, because the business was unprofitable. On December 31st, 1911, Best's reports give 249 stock companies of the United States doing business. The Superintendent of Insurance for the state of New York reports 132 United States stock companies duly entered in that state as of that date. These latter companies are those best known to the insuring public and the companies whose business covers a wide range of territory, and the average returns to their stockholders the best index of the profits of the business.

LEGISLATURE'S COMMITTEE REPORT.

The Legislature of the state of New York in 1910 to fully acquaint its members with the various questions relating to fire insurance, constantly being presented for legislation, appointed a committee to investigate and report.

The committee went carefully into the questions of rates, how arrived at, profits for stockholders, expenses of companies, combination of companies, etc., and the result of its inquiry make interesting reading. Its conclusions on the subject of combination of companies and schedule rating is worth quoting, though I am compelled to abridge to shorten this paper and save your patience.

"The actual historical fact is that at all times and in all places a state of open competition has been found impracticable, and that combinations of the companies have been formed not merely to make but to maintain rates."

"When a man comes to buy insurance and finds the companies combined on the matter of rates he is likely to feel shocked. It is natural for him to conclude that this combination exists in restraint of trade and should be broken up. This is exactly what was done by a number of states. So-called anti-compact laws were passed which made it illegal for the companies to combine either to make or maintain rates. However, the economic forces involved were too strong to be restrained by law. Open competition in which there was no standard rates was an

impossible condition for doing business. The result was a 'state rater,' who made and promulgated rates in essentially the same way that they were made before by the rate making bodies of the companies."

"The result has been that in general people paid established rates for insurance, but where a man had enough influence he could obtain concessions in rate. One result of anti-compact laws has been an increased discrimination against the average policyholder in favor of the rich and influential."

Reporting as to schedule rating it says in part:

"The power of schedule rating as an economic force can be very simply explained; it lies in the fact that it is specific and open. The importance of this lies in the fact that when the insured sees just how, by making certain changes in his building he can obtain a more favorable rate, there is a direct appeal to his pocket."

"Any reasonable schedule, even though it may have considerable defects, will tend to produce equity inside of fairly homogeneous classes."

The same report on the question of state regulation of rates says:

"Some very grave objections can be made on theoretical grounds to the principle of state regulation of rates. In the first place if there is to be regulation at all the power must be delegated to some one outside the companies, either to make or to order change in rates. This is a very dangerous power, it might be used for political purposes; he who exercised the power would have effective pressure to bear upon him from only one direction, that is, to reduce the rates, while in certain emergencies the situation might demand an increase."

"To make or revise rates properly the state would have to collect a loss experience, presumably calling upon the companies for it, and it would have to employ experts at least as capable as those now employed by the companies. The actual possibility of doing this is not questioned; the point is that the situation must be very aggravated that would warrant the state in assuming such an extended and technical piece of work."

There is so much that is the same on this subject in the report of this committee I should like to quote more freely were it not for want of space.

On the question of earnings of the companies I cannot do better than again quote the same report.

"What is left of the premiums received during the year after losses and expenses have been paid is what is commonly called underwriting profit. If money earned no interest this would be the whole profit."

"Let us take an example: A company with a capital of $1,000,000, a surplus at the beginning of the year of $4,500,000, and doing a business during the year of $6,250,000 in premiums; the unearned premium reserve

at the beginning of the year is $5,800,000; the losses $3,450,000 and expenses $2,400,000. Then the underwriting profit has been $400,000 or 6.4 per cent upon the premium receipts or 40 per cent upon the capital." It is to be noted that in estimating underwriting profit no attention is paid to any increased liability, but for illustration the committee report does very well.

"Now the funds of the company aggregate $11,300,000. If this sum has earned 4 per cent the interest from earnings will be $452,000 or 45 per cent upon the capital. We cannot help noticing that the earnings were 85 per cent of the capital stock; superficially this seems an excessive profit, and would seem to justify the popular impression that fire insurance is a bonanza."

"This illusion disappears when we carefully consider upon what basis the earnings should be figured. The real capital that the stockholders have in the business is what the business would bring if sold as a going concern. This would be the capital, surplus and at least 30 per cent of the reinsurance reserve, or $7,240,000. The profits of $852,000 on this basis would yield an income of 11.7 per cent."

The report resonably states that the method of estimating profits of all other business is based upon the net value of the plant, and can see no reason why those of fire insurance companies should not be treated in like manner.

Going carefully into the question of earning during the twenty years prior to 1910, as prepared by the New York Insurance Department, they find that for the six largest United States companies the average was 10.1 per cent. For six medium-sized companies an average of 6.6 per cent, and for six of the small companies an average of 4.5 per cent.

The dividends paid on first class averaged 5.4 per cent.

The dividends paid on second class averaged 3.3 per cent.

The dividends paid on third class averaged 3.4 per cent.

"The figures presented show that on the whole the companies have not been making an excessive profit. The best companies have averaged 10 per cent profit for the past twenty years, of which one-half has been kept in the business. And yet these figures are only for the largest companies; the small and medium-sized companies have earned scarcely more than they could have earned if they had invested their money in bonds and mortgages and done no insurance business at all."

"This showing is substantiated by the fact that no company of the first rank has gained a footing in the business during the last thirty years."

I have quoted freely from the report of the Committee from the New York Legislature, because its members so evidently desired to be fair in

their investigation. Their conclusions are sound, and clearly show that the returns to the stockholders of the companies are not excessive and the rates not too high, unless there is great waste in the companies method of transacting their business. Much is said in this report regarding excessive commissions paid to agents as one source of waste, but the best exposition on the subject of waste is from the report to the Illinois Legislature in 1911 of the Illinois Fire Insurance Commission. It says:

"It must be evident to any student of fire insurance that too much money is paid in the way of commissions to persons who do not perform a service commensurate with the pay they receive. A considerable part of this excess commission is paid to those who have no expert knowledge of the insurance business, and who, in the opinion of this commission perform no service for which they are entitled to any compensation. Ninety per cent of the annual business of fire insurance is solicited and the policies written by local agents. That both ignorant and unscrupulous local agents do increase national waste of life and property, and necessarily the average fire rate is a matter of common notoriety among fire underwriters.

"Nearly every trade or profession requiring any degree of skill or amount of information is now required, in almost all states, to present its members for examination and satisfy the state of their fitness for the business in which they propose to engage. Why should not this be required of fire insurance agents? Greater efficiency in this branch of the fire insurance business would, in our opinion, have an early and appreciable effect upon fire losses and a corresponding result in premium reductions. What we have said concerning the qualifications of local agents applies with equal or greater force to special agents who represent their companies in the field. The legitimate duties of special agents are to appoint and educate their companies agents, inspect its business, etc., and in the honest performance of their duties by capable special agents there is nothing inimical to public interests—indeed their work if well done is absolutely necessary and highly beneficial—but some of these men are entirely unqualified both mentally and morally. They can rise to no higher conception of their duties than to regard themselves as drummers for the sale of their companies policies regardless of the quality of the business or the dishonest discrimination necessary to secure it. They are more dangerous than local agents in proportion to the territory covered by their jurisdiction."

Now what is the moral, and how does it apply to members of this Association?

The average agent and most insurers believe that insurance companies receive abnormal profits. If that were true the rates are too high. As I

have shown it is not true, and every special agent should make it his duty to become part of an educational force to dispel the illusion. Impress upon your agents the fact that insurance is a commercial necessity, and that the companies are much nearer being philanthropists than robbers. Fill up your grey matter with facts and figures to sustain your position, and do your best to convince the agent of the value to him in making his clients understand that he represents an honorable business and is giving good value for money received. A bright special once told me that when he was an agent he relied upon the sporting instinct of his clients, and demonstrated that the company was offering long odds in its gamble that the premises would not burn. When a man is shown that the odds on his dwelling are from 200 to 400 to 1 the transaction takes on a different aspect.

When you meet the insured don't agree with him that his rate is too high, and that you will do your best to get a lower one, but convince him that the rate is reasonable unless after a careful survey you believe his claim is a just one.

Unfortunately the charge of the Illinois Commission is true to some extent even among the high class of special agents members of this Association.

The Special Agent is in many instances too much of a drummer for premiums and less of an educator of agents, and inspector of risks than he should be. It is true that the waste from losses could be greatly reduced if every special gave more attention to the physical and moral hazard of the risks taken by the agents under his supervision.

I can well remember a bit of my own experience as a special. I inspected a risk in a block of frame stores, and was satisfied with the risk shown me, but in going through the block was impressed with the fact that one of the stores was both morally and physically bad, but as it was not on my company's books did not order the risk we had cancelled. Within two weeks I was called upon to adjust our loss for $1,000, caused by a fire started in the store I felt suspicious of. You know how it was. I disliked to cut my agent out of that $100 premium.

Another waste is the payment of excessive claims after a loss. The agent wants to stand well with his client, and the special with the agent, and so in too many instances claims are adjusted and paid for in excess of actual loss. I remember a case which is typical of many where a claimant insisted upon $450 where the loss did not exceed $100. One special announced promptly that his company proposed to pay the claim upon which the other specials immediately followed suit. In that instance I was an independent adjuster, and as the insurance was quite large the company employing me said it could not afford to stand out.

In such cases the company loses the respect of the insured as being a too easy mark. No gold brick man has any great respect for his victim.

Another source of waste is in excess commissions to agents given directly, or by way of extravagant expenditures with or valuable presents to agents. Of course this does not apply to members of this Association, but the other fellows do it.

I know that most company managers are pessimistic on the subject of educating the community, and the late action of the city and commercial bodies of San Francisco would seem to confirm their pessimism. But the foundation of the action of the people of this city is due to their ignorance of the conditions surrounding the fire insurance business, and that is just as true of other communities. Education is the remedy, and it is not an easy task, but if persisted in will in time bring results. The members of this Association must be the professors in this new college on this coast. It will take time and persistent work, but the ultimate result is worth working or.

Last winter I read a paper on the conditions of the Standard Policy before an economic club at Berkeley composed of professors, post graduates and seniors of the University, and it took considerable talk to convince the members that the contract was fair in promising indemnity only, but they finally saw the justice of the contract.

In conclusion I quote from the report of the New York Superintendent of Insurance for 1912:

"The basal necessity is more popular information as to what insurance is and what it really does. This educational work has been begun. It should be carried on with tenfold the present energy, even though at tenfold cost."

It is perhaps utopian to suggest or expect that insurance, as an institution, will turn aside from its competitive bickerings and seek to educate the people; but unless it shall do so corporate insurance will continue to suffer from misinformation and prejudice, and may, in the end, give place to insurance by the state.

As I said before the task is a hard one, but in the language of the street, "go to it." (Applause.)

The President—The next paper is one of the most interesting on our entire program. It was written by a young lady of New York, and Mr. Herbert Folger has kindly consented to read it.

Mr. Thornton—Mr. President, if you and Mr. Folger will pardon my interruption, I would like to make a motion now, to the effect, that after reading this paper we take a recess until tomorrow morning.

The President—If there is no objection it will be so ordered.

Mr. Folger—Mr. President and gentlemen: The title of this paper is "The Insurance Library from the Viewpoint of the Librarian," and it is by Maude Elizabeth Inch, Librarian of the Insurance Society of New York.

THE INSURANCE LIBRARY.

Maude Elizabeth Inch.

Insurance Librarian, New York.

When your President invited me to prepare a paper for presentation at this annual meeting, I replied that much as I appreciated the honor, yet considering I had never written a paper in my life, the wisest course for me to pursue would be that of refusal. In spite of this drawback, Mr. Mayer would not take "no" for an answer, and intimated that the chivalry of the members of the Fire Underwriters' Association of the Pacific was of so high an order that they would listen as attentively to what I had to say as though I was the Librarian of Congress, with all the mighty knowledge of the national library at my fingertips.

In the year 1909 Mr. Herbert Folger read an address before your organization, wherein he laid down some excellent rules for the novice in paper writing. One commandment in particular appealed to me. "Do not try to cover too much ground." At the risk of brevity—which after all is the soul of wit—I shall follow Mr. Folger's goodly counsel, believing that a simple tale, simply told, is preferable to a lengthy discourse on a subject with which you are perhaps more familiar than I am.

The Library of the Insurance Society of New York was reorganized in April, 1909. On the first day of that month in that year, I was shown into a small room filled with what seemed to me exceedingly large books. I afterwards discovered they were State Insurance Reports. The first coherent impression made upon me was that insurance literature was exceedingly dry reading, and never should I be able to grasp the significance of such cabalistic terms as the National Fire Protection Association, the Fire

Underwriters' Uniformity Association, or understand the countrywide importance of the National Board of Fire Underwriters. Our library in three years has grown to a room quadruple the original size; our books have doubled in number; and our visitors have increased from one a week, to a dozen or more a day, with a general average of one thousand a year.

We maintain correspondence with insurance men all over the world, and our Bulletin, with its list of new books, and other activities, goes to China, Japan, Finland, Rangoon and Demerara.

Naturally, all this has not been accomplished without certain effort, and our methods, while our own invention, appear to be successful, and for that reason I venture to lay before you a few ideas as to an insurance library.

The size of the room will naturally depend upon the financial condition of the organization, but the atmosphere is in the hands of the Librarian. The room should be bright and cheerful. Bookcases should line the walls. A long table should be placed in the centre, with chairs at either end and side. Do not cover the table with books and magazines. The busy man intent on gaining knowledge quickly, wants elbow room to read or write. Crowd him, and he shrugs his shoulders and goes away dissatisfied. Pictures, plants, plenty of light and air, and a touch of warm color, given by books bound in red, and green, and blue, will assist. If a visitor on entering the room for the first time, says involuntarily: "What a cheerful room?" you may feel you have gained an additional friend for your library, and therefore not labored in vain.

LIBRARY MUST BE UP TO DATE.

A library is known by the book it keeps! The most essential thing is to be up to date. A book published today, the library should have tomorrow. The demand for the "latest edition" is part and parcel of our busy lives. On the other hand, you will doubtless have some studious souls, and for their benefit, historical works and early editions should be secured. The majority of readers, however, are in search of the last word on the subject they are interested in, and nothing but a 1913 imprint will satisfy them. I have found little demand for foreign publications. The reason apparently is because conditions differ in various countries. We certainly purchase books published in Great Britain, but the call for them is slight. The same might be said on books dealing with electricity. We have them, but rarely are they asked for.

If I were asked to name the subjects on which information is most desired, I should reply Adjusting, Chemistry, Hazards, Building Construc-

tion and Accountancy. The last named is a new feature. A member of our society requested us to add a few books on that topic to our shelves. We complied, with the result that many accountants visit us regularly.

One lesson the insurance librarian must learn. There is no book too old, or pamphlet too insignificant, to be of value sometime. The very thing you are prepared to discard today may be asked for tomorrow. In the days of my novitiate I regarded all state insurance reports as unnecessary, and could not imagine that an insurance paper ten years old would be of interest to anyone. Now, I hoard religiously the most insignificant item, and have a feeling of veneration for state insurance reports fifteen or twenty years old. Our Secretary states that if experience has taught me the expediency of preserving even trifles, then that stern taskmaster has not labored in vain.

CATALOGUING.

Our catalogue system is simple. Each book is indexed under author, title and subject. This system should go deeper, for every volume ought to be minutely indexed. Chapters, pages, even paragraphs, should be noted. To do this means constant work and careful reading, but the end will more than justify the expenditure of time and thought. Unfortunately, we have been prevented from taking our own advice. So far have limited ourselves to the simplest cataloguing, nevertheless, we are more and more convinced that the analytical method is the only one for an insurance library, and we are planning to begin the work at an early date, if funds permit.

A strange feature of this phase of the library is so few people will consent to use the card index. They prefer to go direct to the shelves and help themselves, or be helped by the Librarian. I believe at a meeting held in New York City last winter an eminent authority stated he would like to throw every card index out of the window, though he admitted he had no substitute to offer therefor. In this respect I can place myself in the position of the seeker after knowledge. I do not like card catalogues, and seldom have discovered the desired light by their means. However, we keep our card catalogue up to date and shall continue to do so.

Our manner of lending books is simple. A member of the society is entitled to withdraw a book for two weeks, with the privilege of renewal. Visitors are simply allowed to use the library for study or reference purposes. A member signs a card, promising to abide by our rules and regulations, which card is filed in the library. That done, he is at liberty to take any book he pleases. Notation is made of the book, and the date of

withdrawal is stamped upon a slip pasted in the back of the book. That is all. Of course so simple a method is only permissible where members of the society are personally known to the Librarian. But one thing is certain. The business man does not want to wait for an elaborate system to be invoked for his benefit. He wants the information, or the book, at once, and as free from rules and regulations as is consistent with good management. Only last week a member stated to me that he did not care how a book was catalogued, or whether it was catalogued at all, so long as he got it quickly.

Varied requests are made of the insurance librarian. Poetical quotations, foreign phrases and biblical texts have often been required of us. Two requests in particular I remember. One was the name of the author of the Ballad of Reading Goal, and the other, the inscription upon the statue of King Arthur at Innspruck. The first question was easily answered, but the second riddle needed the assistance of the Librarian at Columbia University to determine that the statue in question bore no inscription at all. Visitors will sometimes help to relieve the monotony of life. I recall one author who would insist on reading aloud chapters from a book he was writing. This book was intended to confute and refute every other book on insurance that had ever been written, aye since the days of Heliogabolus. But the majority of authors who honor us with their visits are men of much intelligence, and the very fact that they return, again and again, to use the library, is a guarantee of its usefulness.

A word as to hours. We have found that from 9:30 to 5:00 are the best hours for keeping the library open, and until 1 o'clock on Saturdays. We do not open in the evenings. Another insurance librarian had such a sad experience in the direction of evening opening, that we resolved never to put our fortunes to the touch. To close the library during the middle of a day, for us, would be a grave mistake, as most of our visitors come between 12 and 2. The difficulty of keeping open, yet allowing the Librarian to lunch, was happily solved by the generosity of a member, who sends one of his own force to take charge of the rooms for one hour a day.

I do not hesitate to state that the insurance press has the power to aid the insurance library to an incalculable degree. We in New York City have long recognized this. Never have we taken a step forward, that they have not given us full measure of praise and encouragement. So, to anyone considering the establishment of an insurance library, I would say "Talk to the journalists. Tell them your ideas, your hopes. They will help

you if they can, and at any rate will prove warm adherents to your work."

Much water has flown under many bridges since the days of Amil-anu, the first recorded librarian, and I wonder what that ancient Babylonian gentlemen would think of the many libraries devoted to insurance in this country and abroad. Of course Boston holds the palm for being first and foremost in the United States, but the Fire Underwriters' Association of the Northwest, as well as yourselves, are by no means behind in the movement. The insurance societies of Hartford, Pittsburg, Cleveland and Philadelphia have their own collection of books, and we are constantly hearing of plans for the building of more insurance libraries.

Of course our own collection is incomplete, but we lose no opportunity to pick up volumes to fill the vacant places in the annual reports and proceedings of underwriters' associations, fire departments, fire patrols and other statistical data. Mr. D. N. Handy, Librarian of The Insurance Library Association of Boston, says, "Each special library is a problem in itself, and must work out its own salvation." With that statement I agree, and only console myself in that we have problems to solve by remembering

"I would not find,
For when I find I know
I shall have clasped the wandering wind
And built a house of snow."

And last of all. Holmes says that "Every library should be complete on something." We have reached that pitch of perfection in that we have a complete set of the Proceedings of the Fire Underwriters' Association of the Pacific. I am sure you will agree with me that such a set is well worth the having. (Applause.)

The President—I asked this young lady for something of her biography, that I might give it to you, but she graciously replied that there was nothing to say, quoting, "I shall be very much obliged if you will allow me to remain unwept, unhonored, and unsung."

If there is no objection we will postpone the reading of the other papers until tomorrow morning at ten o'clock, and the meeting will adjourn until that time.

THIRD SESSION

Ten o'clock A. M., Wednesday, January 15, 1913.

The President—Gentlemen, we have a large number of papers upon our program today. Before we start the morning session, however, I want to call the attention of the members to the diagram of seating arrangements for the banquet tonight. Before you enter the banquet room, look over the diagram and find your location.

Mr. Driffield—Before starting with the regular program, I would like to introduce to you, gentlemen of the Association, Mr. William K. Withers, branch manager of the Bureau at Los Angeles. His name has been approved for membership by the Executive Committee.

The President—Is there anything else to be brought before the Association at the present time, Mr. Secretary?

The Secretary—Not at present.

The President—The next in order is a paper by Mr. Grayson Dutton, on the subject, "Collections."

COLLECTIONS.

Grayson Dutton.

City Manager, Fireman's Fund Insurance Co., San Francisco.



In taking up this subject I do so with some misgivings, as I am fully aware that it is one on which wise men think much and say little.

The rule of the Board of Fire Underwriters of the Pacific is that premiums on all policies shall be paid by the 15th of the second month following that in which the policies are issued. This is the credit rule as practiced in practically all territory west of the Rocky Mountains. Throughout the East credit is allowed in general as follows:

In the city of New York the rule is practically the same as in San Francisco, that is, payment before the 20th of the second month following that in which the policies take effect.

In Troy, Albany and Buffalo and some other cities, the rule demands that premiums be paid on the 20th of the month directly following the issuance of policies. This is a step in the right direction and should be encouraged.

In the Central states premiums are delinquent forty-five days after the close of the month in which policies are written.

The Southern states have no regular rule. Anderson, South Carolina, allows sixty days from date of policies, while in Norfolk, Virginia, and Tampa, Florida, premiums are demanded within thirty days from the issuance of policies. This last rule is by far the best and is one we should all foster.

The credit rule of wholesale mercantile houses generally grants a discount for cash in ten days, but demands net payment within thirty days. Wholesale butchers demand full payment every two weeks on penalty of refusing delivery to delinquents. The automobile factories insist upon part payment of the bill on placing the order, and the balance before the cars are released from the railroad—practically a cash transaction.

In years gone by, merchants gave from sixty to ninety days, while the insurance policies read:

> "In consideration of the stipulations herein named and of
> "$ . . . premium, receipt of which is hereby acknowledged."

The public called for their policies, paid the premium on delivery and thought it no hardship. The life companies today demand a note for the

first year's premium on signing an application. The applicant signs, as a matter of course, and would be likely to doubt a company that did not demand it. We write policies and wait from sixty to eighty days, depending on the date of the policy, then if the premium is not paid, and we are paying strict attention to Board rules, send a cancellation notice to the insured, wait five days according to the contract, and mark the policy off as dead. The company has gone to the expense of writing a policy, carrying the risk from one-sixth to one-fourth of a year and in the end there is nothing to show for the transaction but a deficit. How many of us ever stop to figure out the amount of earned premiums we have been beaten out of by the people who play this game on one company after another time after time? Do you think mercantile firms would stand it? If you do, get poor credit in one store and then try to open an account in another and see what will happen. Still, we who carry on the vocation that makes business possible, will deliberately and knowingly, let certain of the public work us time after time and in no way try to stop the leak. Is it any wonder that the public has such small regard for the insurance business and insurance men in general?

MORTGAGE CLAUSES AND BANKS.

We have mortgage clauses on policies held by banks; they, on account of concessions in the clause, guarantee to pay any premium due and not paid by the insured. When the premium becomes delinquent we go to the bank and request the money. Instead of paying, they say "send a notice to us and to the insured," which means the expenditure of about fifty cents per policy. We send these notices despite the fact that the contract agreed between us says distinctly that they shall pay on demand. This demand on the part of the banks is one of the many impositions put upon and stood for by the companies, which should be avoided.

There has been a great deal of comment on the expense of our business, and I think if we would go well into it we would find that our own mode of credit and collections, or non-collections, is one of the largest of our illegitimate expenses. The premiums on all policies with mortgage clauses, or where they are payable to banks or other institutions with whom we have agreements, should immediately on delinquency be paid without further delay or expense, and all other earned premiums at the termination of the five days' grace granted by the policy, be given to some collection agency, for we are not dealing fairly by our clients who do pay in making them shoulder the burden of expense of the dishonest, dilatory procrastinator, intentionally or otherwise. There should be on each policy a rider reading in general as follows:

"If this premium is not paid within thirty days from the date of commencement, this policy will stand cancelled and no liability for loss thereunder will be admitted."

In looking over business credit rules, we find that where mercantile houses are getting more and more nearly on a cash basis, we, on the other hand, are back where they were seventy-five years ago, and still retrograding. Why should we, with our small margin of profit, represent the only legitimate business that extends its credit to a greater scope year by year? Unless this matter is taken in hand, sooner or later, it will come to the breaking point, with credit extended to such an extent that many changes will take place in the underwriting world before the tide turns and it is brought back to a reasonable point.

The insured demands and the law exacts that we pay our losses within a stipulated time, but the law entirely ignores the payment of premiums, and the man who is the slowest to pay his premiums is the most keen on the collection of his loss. "What is sauce for the goose is sauce for the gander," and as the law compells us to pay our losses within a given time, it should also limit the time for the payment of premiums. As, however, this point is entirely ignored, it is for us to fill the deficiency with laws of our own. (Applause.)

The President—I am sure you will all agree this is a paper upon a very interesting subject, and the general agency men of today can reflect upon what conditions have been in that respect. When I started in, the terms of collection were payment upon delivery of the policy, and fell due, in any event, one day before the policy took effect, the policy taking effect the next day at noon thereafter. I wish we could have that rule in effect again

The President—Our next paper is on "Forest Fires," by Mr. Percy J. Perry. I want to state for Mr. Perry that he took great pains in giving us a paper upon that subject, and, though he will not read it all today, you will be much interested when it appears in the printed proceedings.

FOREST FIRES.

Percy J. Perry.

Special Agent London Assurance Corporation.



Fire insurance companies are primarily interested in the subject of forest fires because of the resultant loss to insurable property.

Of no less vital interest to our profession is the general principle of fire prevention and fire protection. This is one of the main objects of the Board of Fire Underwriters of the Pacific.

To learn the possible effects of fire on forest bound communities, I have corresponded with fire wardens in every county on the Pacific Coast where the fire hazard prevails. The list of hamlets and towns which lie in the path of a possible fire is not complete as all of the letters did not bring returns. I hope, however, that the information will be found nearly correct. The list is too long to read, so it has been included in a supplementary sheet hereto attached.

The forest fire evil makes itself felt throughout our industrial life. Timber burned means an ultimate raise in cost on goods hauled by railroads, because of the lack of outward freight; payrolls are affected, both directly and indirectly; the price of lumber used in mines, buildings, boxes and for fuel is increased and the products involved are influenced correspondingly; the value of property is lowered for taxation; soil value is diminished; stream flow is influenced, and lives destroyed. The life of the timber business is reduced and the prosperity of the people diminished. As 80 per cent of the value of lumber lies in the labor thereon, these fires are of interest to everyone.

Forests tend to regulate the flow of water from water sheds, thus protecting all those activities that depend upon a clear and regular supply, or that are liable to injury from floods or irregular runoff. To prevent the choking of ditches, water for irrigation must be without silt. To develop power, it is advisable to have a uniform flow.

In addition to the loss of timber by fire there is the destruction of the forest covering of humus or duff. The chemical nature of the soil is affected by the intense heat. Burning forests cause air pollution second only to violent volcanic eruptions.

We should remember that lumbering is fourth in the great industries of North America, surpassed only by food and similar supplies, textiles, iron and steel and their products. The fact that the money involved in its exchange is largely drawn from outside sources lends the subject additional importance in the eyes of timber communities.

This paper will take up in turn:

First—The causes of fire.

Second—Fire prevention.

Third—Fire fighting.

Fourth—Reforestation.

Fifth—Legislation.

Sixth—Statistics.

CAUSES OF FIRE.

It is interesting to learn from reports that the majority of fires is due to carelessness and that nearly all are preventable.

The causes by order of importance are: First, donkey engines and locomotive sparks; second, campers and fishermen; third, careless smokers; fourth, land clearing and brush burning; fifth, burning to improve pasturage; sixth, incendiarism, and seventh, lightning. The forestry service states that the latter cause is responsible for 18 per cent of the fires in the forest reserves. Trivial circumstances have contributed to forest fires. They have been known to start from sun's rays on broken glass.

FIRE PREVENTION.

The principle of protection from fire is the first and most important branch of practical conservation of forests. During the past few years this has become a living issue. It is a problem similar to that of cities wherein fire losses can not be eliminated, but can be confined to a small amount.

Elimination of Causes—

For the elimination of the causes of fire, the following suggestions are made:

In logging work the donkey engines should be provided with spark arresters, and a watchman should be provided during the dangerous season. (The lumbermen's donkey engine is the greatest cause of forest fires.)

Installation of spark arresters in engines; care of dump of ashes; clearing of right of way along railroads, and the use of oil and electricity in locomotives.

Railroad companies should install fire fighting apparatus; furnish employees without cost in case of fire starting on their right of way; permit the use of their speeders, and instruct employees to notify forest officials in case of fire.

Proper Organization of Forest—

This includes the proper disposal of slash, which, if left unburned, is a great menace to surrounding timber and other property. In the dense forests of the Pacific Coast it is impractical to pile the brush, which is the proper method in other parts of the country. Here, it should be burned in blocks, with fire breaks cleared to the mineral floor. On slopes it is safest to start fires on the up-hill side, or next to the green timber. To insure safety this work should be placed in charge of a good crew and an experienced foreman.

Slashings should be burned the season they are cut. The time of burning depends on weather conditions. The fall season is preferable. A calm day should be selected, when the slash is not too dry. Dead snags should be cut down, as they tend to scatter sparks among the trees.

To assist the work of rangers and fire fighters, it is necessary to open forest roads with branching trails so that access may be had to the entire district. Lookout stations of permanent construction should be established on high peaks overlooking all heavily forested valleys. The watchman in charge during the dry season should be equipped with a mounted map, compass, telescope and signalling devices. A telephone system is very desirable, enabling all fires to be reported to one head, who can direct the men and supplies. In the absence of telephones, prearranged code signals are used. This mode comprises signals with fire, smoke, heliograph, windmill with mirror attachment, flags and torches.

Adequate Supervision—

The purpose of this work is fire prevention, prompt detection and adequate fire fighting.

The government has a forestry branch which is under the Department of Agriculture. Its organization includes a chief forester, district foresters, supervisors, rangers and extra men when needed. This force is augmented by the state fire wardens and deputy wardens, with a corps of laborers. In addition to these bodies, the timber owners, through the joining of their associations on the Pacific Coast, have formed the Western Forestry and Conservation Association, in charge of a chief forester. The state associations have organizations of patrolmen, who are made deputy fire wardens

by the state. These three forces are working in excellent harmony. They realize that their strength lies in co-operation.

The first requisite in a plan for fire prevention is a thorough knowledge of the district covered. The ranger should know what his territory can produce in men, pack animals and supplies His duties are to cover forests, establish fire lines, watch slash fires, organize men in the districts into fire fighting bodies, keep up notices concerning dangers and laws, clear roads and trails, repair lookout stations and to educate the people to an appreciation of the dangers of carelessness. Rangers have the power to summon aid for fires beyond control, and arrest without warrant for violation of the fire law.

Permits for burning should be obtained by applicants from the state forestry department or association rangers and should be for a short time only. Persons setting fire without permission should be liable to arrest and fine for any ensuing loss. Caution is necessary in hazardous localities, such as the vicinity of logging camps, along railroads, in a community of malcontents, and near camping grounds; but protection is most needed where great values exist. This fire patrol system is necessary in all forest sections. It should be maintained by a tax per acre with help from the government and state.

Facilities for Fighting Fires—

There should be a competent man in charge, a number of regular rangers, adequate force of laborers, sufficient tools, a camp cook and plenty of food. A portable telephone is very useful.

Where extra men are used, arrangements should be had prior to the season as to wages, distance they may travel and the circumstances under which they may be called. The wages should be good, but not enough to induce incendiary acts in order to prolong the season. Payment should be made by check in the field. Prompt settlements insure the confidence and best efforts of the men. If United States troops are called upon, they should be reimbursed for any clothing destroyed. Practical experience has proved that the most effective tools are the cross cut saw, ax, mattock, shovel, collapsible bucket and small hand pump.

FIRE FIGHTING.

The general principles of fire fighting are: Prompt arrival at the fire, adequate force, proper equipment, proper organization of crew and skill in attacking and fighting fires.

Forest fires may be divided into three general classes: First, surface fires that burn the surface layer of leaves, small trees and litter. Second,

ground fires which burn in deep accumulations of vegetable mold like peat, and, Third, crown fires which spread through the tops of trees.

Various methods are used in combating these different types. In general, the first action of the foreman is to direct the making of a fire line or trench around the front of the fire, which will start at the sides and work toward the center, gradually pinching out the fire. Back-firing is not advisable, except in some cases where there is a natural fire break or trench.

REFORESTATION.

This is rather a large problem to handle in the necessary limits of a paper of this nature, but I feel that I should not do my subject justice did I not make some reference to a question so important from the standpoint of the fire insurance profession, involving as it does the future welfare of the country.

The growing of timber is a business which is necessarily confined to the states and government; private owners can not practice reforestation because of fire risk, heavy taxes and low prices of products.

The physical character of the soil has much to do with the variety of trees grown, since it determines the amount of moisture held. The varieties of trees prefer different soils. While mineral soil is best for Douglas fir, hemlock starts best on humus or duff. For this reason the fir selects a well burned area and the hemlock the opposite. The present even stands of timber are usually the result of sweeping fires before the growth started.

A thickly planted forest undergoes a natural pruning process due to the failure of the lower branches to get light. This causes the trees to grow in cylindrical shape with their branches at the top, resulting in good merchantable timber. Isolated trees are conical in shape and have branches all along the trunks.

Artificial reforestation is an improvement on natural growth just as a cultivated field is an improvement on a wild one. An owner must consider whether it is best to leave seed trees standing or to re-seed the tract. Reforesting can be made profitable if the land does not average over $5 per acre and the fire protection and taxes are low. Restocking fir costs from $2 to $10 per acre. Natural reforestation will take place in valleys between wooded ridges. West of the Cascades, if the fires are kept out, nature will do most of the work. White cedar, spruce and sugar pine are not good varieties for replanting. Western white pine needs to be cut clean and planted only after burning the ground. Lodgepole pine is adaptable to any kind of treatment, depending upon the evenness of the stand.

Redwood reproduces from off-shoots and little from seeds. Timber is cut by the complete or selective methods. The latter consists of taking only the mature trees and leaving the younger growth for future cutting. Hemlock and western yellow pine adapt themselves to this method.

Planting—

Seeds and seedlings of one, two and three years are used. The choice is determined by the character of the soil. Seeds are sown broadcast, in strips or specially prepared seed spots. The cost for Douglas fir seeding broadcast is about $4.00 per acre; in strips $2.00, and in seed spots $4.35. Pine seeding is a little more expensive.

The ultimate price of timber will be the cost of production plus a reasonable profit to the grower. In Europe the laws are more favorable than here, so private ownership is possible.

LEGISLATION.

To bring about the desired reforms in the forest problems good legislation is necessary through our representatives in Congress and state Legislatures.

A State Forest Code is outlined below:

1—A state board, chosen for efficiency, without political bias. The members chosen from forest schools, lumbermen's associations, conservation societies and federal service.

2—A state forester, able, trained and independent of politics, with the power of choosing one or more associates.

3—Forest service given liberal support.

4—Forest conditions studied.

5—Active popular education started.

6—Application of forestry principles to the management of state-owned forest lands and the purchase of cut or burned over land to be converted into forest.

7—Improvement and strict enforcement of laws against fire and penalty for violation.

8—Tax on deforested land, on land values only, and tax on new growth when cut.

9—Study of taxation of standing timber to get best results.

HAMLETS AND TOWNS ON THE PACIFIC COAST HAVING FOREST OR BRUSH EXPOSURE.

Those reported to have serious exposure marked with star (*).

Washington.

Chehalis County—

*Elma	*Malone	*Summit
*Markham	*Between Aberdeen and Hoquiam very dangerous.	

Clallam County—

East Clallam	Neah Bay	Forks
Port Angeles	Sequim	

Clarke County—

*Yacolt	*Amboy	*Heisseu
*Battle Ground	*Hockinson	*Proebstal
Washongel	Camas	*Several large mills in very hazardous locations

Cowlitz County—

None

Island County—

None

Jefferson County—

*Brinnon	*Duckabush	*Coyle
	Quileene	

King County—

Kirkland

Kitsap County—

*Charleston	*Port Blakeley	Bremerton
Paulsbo	Port Orchard	Port Gamble

Lewis County—

*Morton	Napavine	

Mason County—

*Hoodsport	*Allyn	Potlatch
Union	Matlock	Shelton

PEND OREILLE COUNTY—

*Newport	*Locke	*Jareds
*Ruby	*Lost Creek	*Blue Slide
*Tiger	*Jones	*Metaline Falls
*Metaline	Tweedie	Dalkena
Usk	Cuzick	

PIERCE COUNTY—

*Ashford	*Elbe	*Longmire Springs
*Election	*Ladd	LaGrande
Alder	Eatonville	National

PACIFIC COUNTY—

South Bend	Le Ban	Firdale

SKAGIT COUNTY—

*Concrete	*Sauk	*Rockport
*Clearlake	*Big Lake	*Montborn
*Ehrlich	*McMurray	Anacortes
Mt. Vernon	Hamilton	Lyman
	Sedro Woolley	

SNOHOMISH COUNTY—

Darrington	Pinehurst	

SPOKANE COUNTY—

*Camden	*Colbert	*Wayside
*Milan	Elk	Chatteroy
	Deer Park	

STEVENS COUNTY—

*Hunters	Blue Creek	Valley
Springdale	Loon Lake	Marcus
Williams Siding	Marble	Boundry
Northport	Daisy	Fruitland

WAHKIAKUM COUNTY—

Skamokawa	Cathlamet	

WHATCOM COUNTY—

*Wichersham	*Maple Falls	*Clear Brook
Sumas	Lynden	Deming

Oregon.

Baker County—

Whitney	Carson	Castorville
	Cornucopia	

Benton County—

No exposure

Clatsop County—

No exposure

Columbia County—

Vernonia	Mist	Trenholm

Clackamas and Marion—

*Silver Creek Falls	Sandy	Estacada
Boring	Cazadero	Mills City
Detroit	Gates	Marmot
Cherryville	Brightwood	Welches
Bull Run	Colton	

Crook County—

Sisters	LaPine	

Curry County—

Langlois	Port Orford	Gold Beach
	Harbor	

Eastern Lane County—

Marcola	Mable	Wendling
Blue River	Vida	Wildwood
	Disten	

Grant County—

*Austin	Susanville	Galenh
	Long Creek	

Hood River County—

*Dee	Cascade Locks	Wyeta

Jackson County—

Jacksonville	Butte Falls	

	JOSEPHINE COUNTY—	
*Grant's Pass	*Lealand	Kesley
	KLAMATH AND LAKE COUNTIES—	
Keno	Crescent	
	LINCOLN COUNTY—	
Waldport	Newport	Toledo
Yaquina	Elk City	Siletz
	LINN COUNTY—	
*Lyons	*Waterloo	*Sodaville
*Foster	*Holley	Jordan
Lacomb	Berlinn	Sweet Home
Crowfordsville	Brownsville	
	POLK COUNTY—	
Black Rock	Falls City	
	TILLAMOOK COUNTY—	
Bay City	Garibaldi	Nehalem
	Woods	
	WASHINGTON COUNTY—	
Timber	Buxton	
	WESTERN LANE COUNTY—	
Florence	Glenada	Mapleton
	Acme	
	YAMHILL COUNTY—	
Amity	Dayton	Dundee
Carlton	McMinville	Yamhill
Sheridan	Willamina	Lafayette
	Newberg	

California.

	AMADOR COUNTY—	
	No exposure	
	DEL NORTE COUNTY—	
*Gasquet	*Monumental	*Crescent City
Smith River	Requa	

HUMBOLDT COUNTY—

No exposure

KERN COUNTY—

Democrat Springs

KINGS COUNTY—

No exposure

LASSEN COUNTY—

Susanville

MARIN COUNTY—

Small hazard

MERCED COUNTY—

None

MONTEREY COUNTY—

*Carmel by the Sea	Monterey	Pacific Grove

NEVADA COUNTY—

*Graniteville	*North Bloomfield	*North San Juan
Grass Valley	Nevada City	Truckee

PLACER COUNTY—

*Foresthill	*Michigan Bluff	*Iowa Hill
*Last Chance	Colfax	Dutch Flat

PLUMAS COUNTY—

*Portola	*Clairville	*Sloat
*Spring Garden	*Quincy	*Nelson Point
*Greeenville	*Taylorsville	Beckwith
Clio	Onion Valley	La Porte
	Crescent	

SAN BERNARDINO COUNTY—

No information

SAN FRANCISCO COUNTY—

Within city limits

SAN LUIS OBISPO—

No hazard

SANTA BARBARA COUNTY—

Montecito	Nordhoff	Santa Rita
Santa Barbara	Goleta	Los Alamos
	Orcutt	

SHASTA COUNTY—

Castella	Dunsmuir	Lamonie
	Delta	

SIERRA COUNTY—

*Sierra City	*Downieville	*Alleghany
*Forest City	Loyalton	

SISKIYOU COUNTY—

*Happy Camp	*Oro Fino	*Hooperville
*Cecilville	*Dunsmuir	*Beswick
*Weed	*McCloud	Sawyers Bar
Scott Bar	Oak Bar	Hamburg
Hornbrook	Hilt	

TUOLUMNE COUNTY—

*Confidence	Columbia	Sonora
Tuolumne	Groveland	Soulsbyville
	Jamestown	

YUBA COUNTY—

*Challenge	*Forbestown	

Montana.

FLATHEAD COUNTY

*Whitefish	*Columbia Falls	*Belton
*Kila	*Bigfork	*Dayton
*Plains	Somers	Marion
Rollins	Dixon	Camas

LINCOLN COUNTY—

*Stryker	*Trego	*Fortine
	*Eureka	

Missoula County—

*Forest City	*Mayville	*Louisville
*Carter	*Pardee	*Potomac
*Bonner	*St. Regis	Iron Mountain
Superior	Cobden	Spring Gulch
Ashmore	DeBorgia	Saltese
	Taft	

Powell County—

*Elliston	*Washington Gulch	*Fleshe[r]
*Clearwater	*Woodworth	*Corbett
Ovando	Helmville	Drummond
Avon	Garrison	

Sanders County—

Tuscor	Heron	Noxon
Thomas	Larchwood	Paradise
	Trout Creek	

Idaho.

*Fern

On account of heavy fires in 1910 the towns are fairly safe from fires now.

It has been reported by the State Forester of Montana that a fair report on the fire hazard to towns in Montana and Idaho could be had by taking the towns along each of the three transcontinental railroads in those states from the summit of the Rocky Mountains to the Idaho line.

Summary of towns: Washington, 109; California, 74; Oregon, 87; Montana, 49; British Columbia, 14; Idaho, 1.

There are many points in British Columbia which are in danger of forest and brush fires. The worst districts are the Arrow Lakes, East Kootenay and Lardeau. Towns having serious exposure are Chase, Michel and New Michel. Towns with slight exposure are Enderby, Armstrong, the outside portion of North Vancouver, Cranbrook, Cumberland, Fernie, Greenwood, Rossland, Nelson, Caslo and Golden.

STATISTICS.

Total standing timber in the United States, 2,800,000,000,000.
Total standing timber in the national forests, 500,000,000,000.
Total standing timber on the Pacific coast, including British Columbia, 1,812,900,000,000.
The limits of the national forests cover 160,000,000 acres. Less than one-half of this actually bears merchantable timber.
Annual timber cut in the United States, 50,000,000,000 B. M.
Annual timber cut on Pacific Coast, 8,000,000,000 B. M.
Annual value of the industry to the Pacific Coast, $153,000,000.

AMOUNT OF LOSSES.

Annual loss in the United States 10,000,000 acres, and average of 70 lives.
Annual loss on Pacific Coast states and British Columbia, 76,000,000 B. M.
Annual loss in five Western states, $40,000,000.
There is a heavy salvage on timber left by forest fires, provided it be logged within four years.
Three-fourths of the original forest of the United States is either cut or burned. The rate of destruction is three times the rate of growth.
Timber in the dense forests of the Northwest averages 40,000 B. M. per acre.
There is $10.00 loss in wages for every thousand feet destroyed.
Washington cuts 75,000 to 100,000 acres of timber annually, thus creating a new slashing hazard to this extent.

COST OF PROTECTION.

The cost of protection is less than one cent per acre for all property patroled in the Pacific Northwest.

HISTORIC FOREST FIRES.

October, 1825, Miramichi, Maine and New Brunswick; area burned 3,000,000 acres; 160 lives lost.
1837, Seboois, Maine, 130,000 acres.
1846, Yaquina, Oregon, 450,000 acres.
May, 1853, Pontiac, Quebec, 1,600,000 acres.
1860, Nestucca, Oregon, 320,000.
1868, September, Coos, Oregon, 300,000 acres.
1868, September, St. Helen, Washington and Oregon, 300,000 acres.
1871, October, Peshtigo, Wisconsin, 1,280,000 acres; 1500 lives lost.
1871, October, Michigan, 2,000,000 acres; $10,000,000 loss.
1876, Big Horn, Wyoming, 500,000 acres.

1881, September, Michigan, 1,000,000; 138 lives lost.
1891, May, Comstock, Wisconsin, 64,000 acres.
1894, July, Phillips, Wisconsin, 100,000 acres; 133 lives lost.
1894, September, Hinckley, Minnesota, 160,000 acres; 418 lives lost, $25,000,000 loss.
1902, September, Columbia, Oregon and Washington, 604,000 acres; 18 lives lost.
1903, April-June, Adirondack, New York, 450,000 acres; $3,500,000 loss.
1908, August, Fernie, B. C., 64,000 acres; 9 lives lost; fire loss in city, $5,000,000; insurance loss, $2,000,000.
1908, September, Chisholm county, Minnesota, 20,000 acres.
1910, August, Great Idaho, Idaho and Montana; 6,000,000,000 board feet loss, value $20,000,000; 1,500,000 acres; insurance loss Wallace, Idaho, alone about $150,000. The fire extended 100 miles in length and 40 miles at widest point; 85 lives lost.
1910, Baudette, Minnesota and Ontario, 300,000 acres; 42 lives lost.

The President—The next paper in order is by Mr. Walter P. Porep, and the title is "Practical Suggestions for Conducting a Local Agency." Mr. George F. Staniford has kindly consented to read the paper, and when it is published in full you will find a very excellent guide for the conduct of a local agency business.

Mr. Staniford—Mr. President and gentlemen: This is, as your President indicates, a very interesting paper. Mr. Porep says:

PRACTICAL SUGGESTIONS FOR CONDUCTING A LOCAL AGENCY.

Walter P. Porep.

Special Agent Edward Brown & Sons.



It is fair to assume that the average person, who engages in the fire insurance business, does so without having had the benefit of previous experience. He receives specific instructions from the company, as to how daily reports should be prepared, and when remittances are to go forward; but, as to the general conduct of the business and the securing of a valued clientage, he is left to his own resources.

NECESSARY QUALIFICATIONS AND KNOWLEDGE.

In my opinion it takes a well-balanced and clever man to go on week after week, month after month, and year after year, and notwithstanding sharp business rivalry, secure more than his own share of the business. There are other qualities, naturally, that enter into consideration in the making of a successful agent. I have studied the matter carefully, for years closely observing the many agents I have come in contact with, analyzing their methods with a view of picking out their weak and strong points; at the same time seeking an explanation for the success of some and the failure of others. I have come to the conclusion that the agent who deals fairly and squarely with his clients, who never misrepresents, who is punctual and keeps promises when made, no matter how hard it may seem at the time to keep them, who does not forget the little courtesies and kindness of everyday life, and, for that matter, of business, will win out under the most strenuous competition.

It will not be long when those who represent fire insurance companies will be trained men, and the local agency will not be a side issue to receive attention only when the special agent calls.

In talking about your agency, add the assets and capital of all your companies into grand totals. This is an effective way of demonstrating strength and ability to write large lines. If representing only one company make it distinctive and a part of your name. There are a good many agents who represent only one company and write a large business. By making the name of the company a household word a large portion of new business will seek the company.

There are two things which the agent should emphasize in his arguments to secure new business. These are service and companies. This is taken, of course, that he has the real qualifications to offer.

Service is that phase of the business which gives you the opportunity for the actual rendering of professional, expert service. Show the prospect your service record, concrete instances of how you have saved your clients money by giving them counsel in the selection of companies, forms of policies, and in improving their risks through inexpensive betterments, securing thereby reduction of rates. Make service a feature of your business, talk it and advertise it, and your agency will stand out distinctive among all your rivals.

The agent who succeeds is the man who is continually adding to his fund of information and using it to a good purpose. Insurance knowledge is limitless, and the oldest and most successful man in the business will confess to still having much to learn.

SOURCES OF BUSINESS.

Many clients. That is the secret of building up an agency. These can be summed up under three heads, those who are fully insured, those who are partly insured and those who are not insured.

Those carrying insurance with other agents can be persuaded to give you at least a part of their business, and, ultimately, their entire line, while those partly and those uninsured, through persistent cultivation, will become your clients. The average agent may not classify his prospects in this manner, but he must recognize that nearly every person in his territory is open for solicitation. Naturally, the agent's greatest source of securing business is among his friends and acquaintances. However, he should plan a system in his daily work, to make news items and the gossip of the street pay. From these he gathers such data as building permits, real estate transfers, expansion of mercantile houses, mortgages, marriages, fire losses and the new comer in his midst.

Fire losses gathered from the news items generally indicate rebuilding, the replenishment of stocks of goods, household furniture or manufacturing equipment, all necessitating new fire protection. Possible dissatisfaction with the loss adjustment, through ignorance or carelessness of the former agent, drawing up a contract that did not cover, will often give entry to the control of a large line where his former solicitations were in vain. A fire loss also often offers opportunities for canvassing nearby residents; the persons who, for a few days, have the fear of a fire uppermost in their minds can be easily persuaded to insure.

Transfers of property all suggest a prospect of writing lines for the new owners, the change of ownership presenting new conditions which make it possible for the agent to secure business where his former efforts were not successful. For advance information in working up this class, a daily visit to the offices of recorder and county clerk will contribute additions to the agent's list of possible clients.

By keeping in touch with banks and private parties loaning money much business may be secured, as collateral security is always demanded.

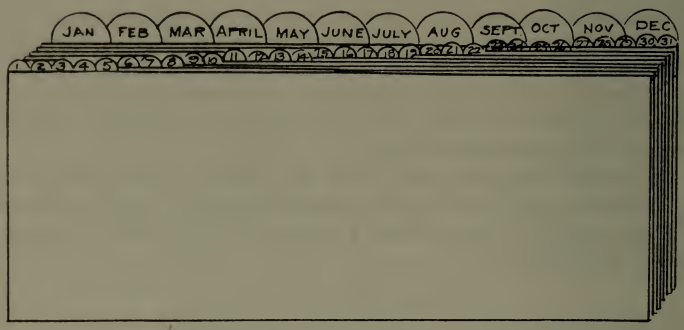
These, to some extent, are the general sources by which the agent may build up his business.

SYSTEMATIZING THE OFFICE.

Card systems are now almost in universal use, and wherever they have been substituted for the old burdensome ledger account and policy registers it has been found that the business is handled more efficiently. When a daily report is made out it should be duplicated, the copy containing the data, even to the diagram, filed away, to be used for reference whenever needed. This system of "duplicate daily reports" also has the advantage of an expiration file, which practically insures accuracy in not overlooking the renewal.

It is an unpardonable offense to allow a policy to actually expire before its renewal is solicited, yet how often does this occur when the agent is dependent upon the old style policy register. Further, it is a humiliation when you finally call on your client to find that your competitor has already secured the business, and that your former client is now a permanent one of your rivals.

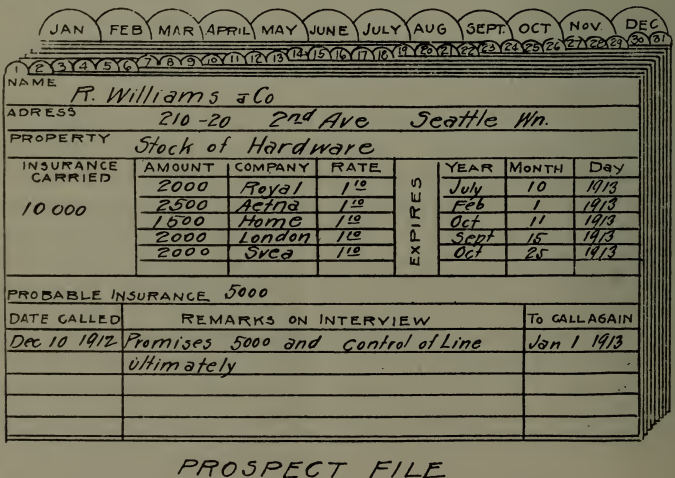
A clipping file, designed solely for collecting and classifying sources of prospects, is indispensable. Putting this file to use is a simple matter. An agent hears, for instance, of a possible building to be erected three months hence. This information is jotted down and dropped behind the guide card a month ahead of whatever date he selects for the initial call or follow-up as the case may be. Something tangible being developed the information is then placed in the more systematic "prospect file," where the case can be more thoroughly watched. Later, the agent succeeds in writing the prospect a policy when, naturally, the card now becomes a client record, and it is removed from the prospect file to a file which keeps tab of his expirations. From day to day he shifts the cards in the clipping and prospect files, until the prospects become clients or "dead names."



CLIPPING FILE

Behind the various date guides clippings are placed as reminders of calls to be made daily

While these files afford the means of lining up the business, so that no opportunities may be lost, the agent must bear strictly in mind that they will not collect the information by themselves, nor can a mechanical method be devised to do so. It all depends entirely upon the quality of the agent's personality, resourcefulness and ability.



PROSPECT FILE

For recording names, appointments and data

A B C D E

NAME J. B. Wilson

ADDRESS 1231 Van Ness Ave San Francisco

COMPANY	POLICY No.	AMOUNT	EXPIRATION MONTH	DAY	YEAR	PROPERTY
Union	72891	1500	Feb	15	1914	Dwg
Sun	113821	2500	June	6	1913	Stock

CLIENTS INDEX CARD

Names are arranged alphabetically behind guide cards

1912 1913 1914 1915 1916

JAN FEB MAR APR MAY JUNE JULY AUG. SEP OCT NOV DEC

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

NAME J. C. Holland & Company

ADDRESS 110-112 Fulton St.

New York N.Y

POLICY No	COMPANY	AMOUNT	RATE	TERM	PREMIUM
122068	Continental	2500	1.2	1 yr	25

FURNITURE BUILDING STOCK MACHINERY

LOCATION Sheet #4 Block 464 HOW SECURED Services in effecting reduction of rates

REMARKS Other lines promised

CARD INDEX FOR FILING EXPIRATIONS

Note daily, monthly and yearly guides

Expirations to be filed two months before expiring

The live agent has now turned to the card index, which is particularly suited to his purposes. This file is much like the prospect file and spurs the agent to watch his clients as carefully as he does his prospects. This expiration file has a variety of forms, but the basic principle of indexing is the same.

The simplest style of the expiration file is made up of two forms consisting of a policyholder's index card and an expiration index card. The card for the policyholder's index has spaces for the assured's name and address, and a list of all policies covering a property with dates of their expirations. One of these cards is made out for each property insured. These are filed alphabetically in a tray with guide cards, subdividing the alphabet sufficiently to provide easy reference to each individual card.

The expiration index card gives the name and address of the assured, the name of the company, policy number, date of expiration, description of property, amount of insurance, premium, rate and term. These are all filed by means of a chronological index according to the date of expiration. The index consists of twelve monthly guides, and daily guides from one to thirty-one for the days of the month. In addition to the monthly and daily guides there are also used yearly guides for the purpose of indexing the expiration cards of term business.

These two sets of cards act as cross indexes to each other. If, for instance, Jones wants to know when his next expiration occurs, amount of premium and so on, you pick Jones' card out of the alphabetical policyholder's index, note the nearest expiration date, turn to the expiration index and, behind the guide card marking thirty days preceding Jones' date of expiration, you find Jones' other card with all the information desired. The expiration cards are usually filed thirty or sixty days ahead of the actual date of expiration, so that the agent will have time to solicit, by mail or in person, a renewal before the policy actually expires.

But of great importance to all agencies is a method of keeping company accounts. The card to be used in this system should be about ten inches high and twelve inches wide.

This card is filed in a regulation drawer for the vertical filing of correspondence. One card will be used for each company each month. In case of companies for whom the amount of business written is small, one card will extend over several months. The ruling may be continued on the reverse side. The name of the company will be written at the top of the card, and the months covered by that record noted in the upper left hand corner. Cards for any company will be numbered consecutively, making the account continuous and preventing the misplacement of any card.

MONTH Dec — Pennsylvania Fire INS. CO. — CARD No

POL NO	TERM	DAYS	EXPIRES	ASSURED AND PROPERTY	AMOUNT	RATE	MISCEL. DEBIT	MISCEL. CREDIT	10 PER CT R.P	10 PER CT PREM	20 PER CT R.P	20 PER CT PREM	25 PER CT R.P	25 PER CT PREM
76438	3yrs		6 15 1915	F. Jordan Dwg	1000	1.70								
76439	1yr		1 1 1914	G. Holland Stock	2000	1.20								
76440		60	1 2 1913	H. Field Wool	5000	1								
76441		90	3 21 1913	C. Jones Grain	2500	.90								
76442	3yrs		6 10 1915	W. J. J. Roberts Dwg	10000	1.0								
76443	1yr		10 12 1913	Wilson & Co Stock	2.00	1.40								
76444	3yrs		12 12 1915	M. Callahan Dwg Seattle, Wash.	3000	1.20								

COMANY ACCOUNT CARD
by which transactions with each company are clearly shown

For each company a guide bearing the company name will be made out and all cards filed in front of it. The account current will always be in front, thus making reference to it immediate. It will be observed that the card furnishes a complete record of the policy, together with the company's account itself. Two lines are sufficient for the entire record of any policy. The policy number, term, day and expiration are recorded at the left. Under the column headed "assured and property" will be noted the name and address of the assured on one line and the nature of the property directly beneath. Following is shown the amount and rate.

As commissions at different percents are now allowed on different classes of policies, columns are provided for premiums and returned premiums under each of these classes. By extending the amount of the premium to its proper column, all premiums at the same commission rate will be together. The debit and credit columns under "miscellaneous" provide for all items other than premiums, and thus make the account complete in every detail.

At the end of the month the account current is readily made up. Each column is totaled and the commission on each class of premiums is obtained from the total amount of that class. This system also assembles the entire account with any company. When a special agent calls, the cards for his company are taken out and handed to him for examination. He has no means of comparing them with the business written for other companies. At the same time the total business for any month is readily assembled from the individual cards.

ADVERTISING.

The agent who sends out each year the usual blue or red standard calendar with a picture of Washington crossing the Delaware on it is soon forgotten, the recipients hardly giving it a second thought. The calendar should be a valuable advertising medium; however, to make it forceful and effective the agent must individualize it. It must be useful and artistic and his name should stand out prominently, so that it will command continuous attention. One of the prominent agents of the Northwest mails a folded postcard each year to his clients and prospects, informing them that if they will return the other part of the postcard in person, they will receive a valuable calendar, which would be soiled in mailing. When the prospect or client calls at his office, he either renews acquaintance with an old client, or secures the prospect's list of expirations as well.

Blotters, similarly individualized, mailed at stated intervals, to both clients and prospects, bring results.

A letter to large property owners making much over the fact that policies of various companies have certain limitations and offering to explain to anyone who may call just what their policy does and does not cover, is effective advertising. While comparatively few people take their policies into the office, of course, it gives the wise agent the "he knows" impression, and helps him to get policies on expiration.

The most effective manner for an agent to keep his agency before the public is through the medium of the daily newspapers and the local building trades papers. Reading notices are, to my mind, more effective than large display advertisements. When a loss occurs, exploit and advertise the prompt settlement of the claim. Insert a reading notice something like this: "Through Jones and Jones, the fire insurance agents, Mr. Blank received a check for $3000 in full settlement of his loss; forty-eight hours after the fire, Jones & Jones placed the money in Mr. Blank's hands, thereby establishing a local record for prompt payment." Such notices have a tremendous power in influencing patronage and the immediate closing of promised business.

Some agencies make a practice of securing a signed statement from every man to whom they pay a loss claim and insert them in the newspapers as a reading notice.

Again, these statements will bring results if mailed to a carefully selected list of property owners.

There are many arguments to be used in advertising; however, the paramount aim is for the agent to make his advertisements forceful and original, thereby individualizing himself.

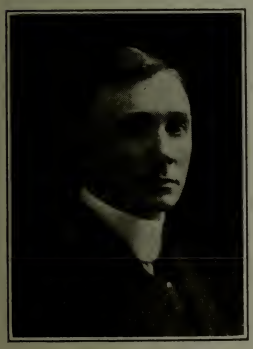
Individuality is the prime requisite of an agency. This, coupled with integrity and persistence, will make your agency the most successful and leading one in your city. (Applause.)

The President—Our next topic is "Uniform Policy Forms and Clauses," and the paper is by Mr. Walter F. Keene, of Seattle, Washington.

UNIFORM INSURANCE BLANKS AND POLICY FORMS.

Walter F. Keene.

Insurance Examiner, Seattle.



For a long time the agents have been asking for assistance in the reporting of their business to the home offices. Not only to save their own time and energy but the company's as well. From what little experience I have had in the business, the apparent reason for the reluctancy of the companies to comply with this request does not seem to justify their refusal. It must be admitted that some of the individual companies' forms may lend themselves peculiarly to the routine of their offices; but is this particular benefit paid for in other ways? I believe it is. I know personally that there is one company represented at this meeting which is, or has been in the past, quite unnecessarily annoyed through an unfortunate arrangement of a daily report. This document was so arranged that the particular spaces for the insertion of dates of commencement and expiration and amount, rate and premium were readily overlooked by the local agent, and the spaces, as a consequence, left blank.

This was learned through the fact that while the particular information referred to was omitted on all dailies once in a while by an agent, the larger majority, probably 75 per cent, of the cases occurred on the forms of the particular company I have in mind. No doubt there are instances in other forms which have not been noticed. The point I am trying to make is not that the daily report referred to was necessarily impractical, but it certainly was unlike any other form of daily report

and, incidentally, did not seem to impress the majority of the agents. There would no doubt be less mistakes made in the aggregate if all companies used the same form of daily report, even if drawn on the lines of the one just criticised.

In every pooling of interests, such as that under discussion, there must be a little giving away by each member, a submerging of a little of the individuality for the common good of all. The benefit derived by all the companies from the adoption of uniform policy forms, daily reports and many of the slips and clauses, I believe, would compensate them for what little may have been conceded.

Some little time ago a standing committee was appointed in the East for the purpose of considering the advisability of adopting uniform policy forms and clauses. As a result of their experience and experimenting, policy, daily report, endorsement and account current forms was submitted to the companies. Regarding their adoption, I quote from a letter received from the chairman of the forms committee, Mr. C. F. Hildreth of Freeport, Ill.: "While we have had a good many favorable responses, the reform is not yet an accomplished fact but is progressing well. A letter from Henry W. Eaton, United States Manager of the Liverpool & London & Globe, just received this morning, gives unqualified approval of the entire list of blanks. The Continental has taken the same position, likewise the Glens Falls, the Germania, and the Southern department of the Insurance Company of North America and Philadelphia Underwriters. A good many of the smaller companies have taken the same position, while a goodly number of companies have lent their general approval while showing some tenacity regarding one or more of their own forms."

As I have had little or no experience with account current forms a discussion of same will be omitted.

The agents regard the printed forms as reminders and complete them in more or less of a mechanical manner. It is therefore essential that each form should be, in the best possible sense, the reminder the average agent requires. Spaces should be large enough to avoid being overlooked. It must also be borne in mind that a large majority of the agents are using the typewriter, and the number is steadily increasing. Therefore, spaces should be arranged on as few lines as possible and in such order as to permit of the use of the tabulator. Also the lines should be of just the right distance apart to accommodate the machine spacing. The foregoing will apply in a general way to all the documents mentioned, and dispose of the arrangement of the face of the policy itself, except to say that I believe the lines above the space left for attachment of policy

slips should be as far above the center of the page as practicable, so as to leave as much blank space for forms as possible. I might add that letters have been received from the insurance departments of nearly all the states located on the Pacific Slope (including British Columbia) to the effect that there are no requirements prohibiting the arrangement of the policy face as suggested.

Before leaving the subject of the policy, I am reminded of one more feature, the item of postage, considered in connection with any one agency, is, no doubt, a rather small consideration; taken in the aggregate, however, it is an expense worth careful thought. Canceled policies are continually being mailed the home offices at the companies' expense. New policies, to a large extent, are being mailed their clients by the local agents at the companies' expense. The amount involved, covering the entire field of operation of any one company is well worth reducing, if possible. Many companies when printing policies, apparently give the weight of the paper little or no thought from an expense standpoint. I believe a paper could be purchased, which, in quality, would be fully as good, if not better than that in use by some companies, and at the same time be light enough in weight to permit of mailing a policy, together with a letter for two cents, instead of the four cents necessary in many instances at the present time. The use of thinner paper will also incidentally insure better records, as carbon copies would be the clearer.

There are features of the daily and endorsement which call for special mention: There are twelve items of the daily report which are universally required to be furnished by the local agent: The name of the insured, date of commencement, term, date of expiration, amount of policy, rate, premium, an exact copy of the written portion of the policy, the number of the expiring policy renewed, if any, or the number of the canceled policy replaced, if any, the name of the payee and the method by which the rate is obtained. With the exception, possibly, of the last named, these should be on the front or face of the daily report.

As to the arrangement of these items, the most ideal record a company could possibly ask for is an exact copy of the face of every policy issued, made simultaneously with the policy itself by means of carbon paper. If an agent omits any essential feature or makes an error of any character whatever upon the policy he issues the company can immediately detect same from their records. Every detail of the contract (and that really is the basis of the company's liability and not an independently made daily report) is before the company at all times, instead of only after the loss has occurred as at present. Therefore, I believe the face of the daily should

conform exactly to the policy as regards all the salient features mentioned above. Four daily reports should be bound inside each policy in such manner that the agent need only insert four carbon sheets before writing his policy. When this latter document is completed there will be four verbatim copies of the policy, one to be forwarded the company and three retained by the agent for his records. After the dalies are taken from the policy the top carbon sheet can be removed and the map references' numbers of the other policies on the same or adjacent risks and method of arriving at the rate can be added to all copies at the same time. The agents, I believe, will find the suggested method not only more convenient and time saving, but decidedly more satisfactory from every standpoint.

The Eastern committee, I believe, suggests only two daily reports to each policy. Upon discussing the question with a number of the larger local agencies I find three office copies, aside from that furnished the company, are very often required. As the majority of policies are issued by these large agencies, I believe their needs should have considerable weight.

With the arrangement of the daily report as indicated there will still be space to insert map and special rate references and the usual home office notations. The agency and policy number and space for home office number, used by some companies, should be placed in the upper right hand corner for this reason: In handling these documents in the home offices, they always (to use the vernacular) come "in bunches," and the locating of any one daily report must be found by thumbing through the bunch. As the majority of people are right handed the right hand side of the bunch will always be the most convenient. It will then be necessary to raise only the corner of each daily report when endeavoring to locate any one of the bunch.

Instead of supplying the spaces for map and special rate references one beneath the other, as suggested by the Eastern committee, I believe these should be arranged all on one line. This latter form is much more easily completed by typewriter than the former. If this line were placed upon the daily report just below the line for "amount insured" it would be of much convenience, because many agents have formed the practice of inserting this data at the top of every policy slip written.

The data supplied and utilized only by the home office is probably never referred to more than a few times. I refer to the notations added by the mapping, expiration, endorsement and bordereaux clerks, etc. The spaces for these notations can, therefore, without much inconvenience,

be placed in some position not convenient to or likely to be obliterated by a local agent. From the suggested form you will observe all the universally required information is on one side of the sheet, leaving the reverse side for such special questions and data as each individual company may require including space for the diagrams. In speaking of this latter requirement, most of the companies fill in the diagram space with squares intended to represent ten feet each. This has been found to be unsatisfactory for the reason that most agents disregard the squares and supply the distances between buildings in figures; therefore the agents, who follow the printed instructions regarding the use of the squares and omit supplying the distances in figures, are necessarily tagged because it is impossible to know from the daily report whether the agent considered each square as ten feet or merely neglected to state the distances.

The majority of the agents, I believe, are systematically omitting to answer any of the printed questions on the dailies regarding age and condition of the insured property and the taking of inventories, etc., and in the majority of instances, I am informed, the companies are not requiring their agents to supply this omission. It would therefore appear that under existing conditions the information requested by these printed questions was not, as a rule, absolutely necessary to good underwriting. You will note I say in the majority of instances. By this I mean the matter of choosing risks and passing upon the acceptability of same in the larger cities and agencies is left, to a large extent, to the discretion of these agents. In the smaller towns and agencies, where only a few policies are written in the aggregate and, as a consequence, insurance and underwriting experience is most liable to be lacking, the answers to certain of the printed questions are earnestly desired. Another reason why larger agencies are not asked to answer these questions may be the large range to which Hines', Dunns' and Bradstreet's Records are applied. Also, personal inspection is gradually becoming more the rule than the exception. Special agency territories, not long since, frequently covered three or four states, whereas now it is not uncommon to find one company with two and sometimes three special agents with a territory confined practically to one state.

The Eastern committee's proposed form includes all the essential questions to which answers are required by *all* the companies. Your particular company may not require all these answers. This fact could not possibly inconvenience your company, however, and the use of the form by you, as proposed, would preserve its uniformity.

The spaces indicated on the reverse side of the proposed daily report, asking for the occupancy of each floor of the building and the distances to and occupancies of the exposures to the north, east, south and west, are not included in the dailies of a majority of the companies. We find, however, that the agents will very often complete these spaces, but omit diagrams and other data regarding the method by which the rate is secured. From the information given in these spaces we can very often check the rate and premium, thus making it unnecessary to tag the agent for additional information.

There would appear to be a psychological reason for the failure of one agent to properly and completely fill in these documents, when another agent always supplies all required data. We find the same agent will sometimes complete the daily report of one company in all particulars and almost entirely omit to do so upon the daily report of another company. I am, of course, assuming the average agent is willing to assist the companies to the extent of his ability. Therefore, I believe it is not amiss to furnish two or three methods of supplying the same thing on one daily report.

ENDORSEMENTS.

Probably greater trouble is caused by the omission of full information on endorsements than on daily reports from an examination viewpoint. There seems to be no two forms of endorsement which are at all similar. At the home office the omission of all the salient features can be supplied, provided only the policy number and agency are given by the agent. Therefore, the omission of full information affects only such general offices as the boards and our examining bureau which are under the necessity of treating each document as an individual transaction, not having ready reference to the daily report itself. In probably nine cases out of ten endorsements effecting changes in rate must be referred to the home offices with request for attachment to daily reports and return for examination. All of this requires extra time, work and postage at the expense of the company and I believe could be avoided if there was some effectual method of assisting the agents to furnish all necessary amounts and dates when preparing endorsements. There are some endorsements, however, which cannot be properly examined even if all dates and amounts are supplied unless accompanied by the daily reports. Such, for instance, as those substituting new forms, it being necessary to know the original covering to ascertain whether or not insurance has been transferred pro rata from building to contents or vice versa. As stated before, the spaces and their arrangement should be so placed as to serve both as guide and ready

reminder, keeping in mind the fact that they must be of a size and in a position to attract the agent's attention. If this is accomplished in the daily report it would seem to be possible also on endorsement forms. Endorsements and daily reports are, as a rule, handled exactly alike by both the agents and the companies; therefore the conforming of lines and spaces to the typewriter should be borne in mind. What will assist the local agents in this matter will doubly serve the company: First—If any arrangement saves time and promotes convenience as to the agent, the same is true as to similar work in the home office. Second—Any aid given the local agent, tending toward greater efficiency, saves the time, annoyance, extra work and postage of the company, by making correspondence unnecessary.

There are one or two improvements which, I believe, could be made upon the endorsement form suggested by the Eastern committee. When discussing the daily report you will recall that, for convenience sake, it appeared advisable to place the agency, policy number and home office number in the neighborhood of the upper right hand corner. I believe the same would be true of the endorsement. If this was done the space allowed for the policy number on the Eastern committee's form could be designated for "property insured." If this information was supplied by the local agent, some inconvenience and time might be saved by examining departments on endorsements making transfers and substitution of new forms.

Also, my experience has taught that the number of the expired policy, renewed by the policy being endorsed, is seldom if ever needed, and therefore the space designed for this information should be used to indicate the "term" of the policy. This data is absolutely necessary in order to properly check the rates on term policies. From the foregoing you observe I am looking at this document from the stamping bureau or examination standpoint, solely with a view, however, of saving the agent's and company's time, which would otherwise be employed in answering queries and correspondence and returning the original document and the endorsements for re-examination.

POLICY FORMS.

If by some method the adjusting and court experiences of all insurance companies could be pooled there is no doubt forms of buildings and contents of building policy slips could be arranged which would meet the demands of companies, agents and insured alike. The pooling of experiences at the present time does not, however, appear imminent.

In preparing these forms there appear to be at least three influences at work. First, the desire of the insured for the best covering. Second, the belief of each local agent and broker that his ability and experience is fully as good as any ones else (including the company's) and, in fact, just a little better; thus enabling him to produce the best possible form, and third, the attitude of the individual companies which, in a large measure, is identical with that of the agent. The main factor in each of the two latter instances being the susceptibility of the average insured to the sight of many words, even if they serve principally for purposes of repetition.

The best forms for all concerned would appear to be those which omit special mention of all features which are not absolutely necessary to prevent misunderstanding or misinterpretation on the part of either the insured, agent, a court or an adjuster. For instance, a form covering a building and its additions, adjoining and communicating and all improvements, machinery and apparatus forming a permanent part thereof and necessary to its operation, independent of its occupants, would undoubtedly cover the building in its entirety. As, however, this would not cover window shades or awnings or movable fire extinguishers, these, if desired to be covered, should necessarily be specifically mentioned, as they do not form a permanent part of the building.

The facts are the same as regards the covering of machinery and stock. I am told it is often the case an insured will believe some portion of either his machinery or stock might not possibly be covered, or a company could successfully defend its refusal to pay a loss thereon, because while probably two or three hundred separate items of hazard are named under the heading "machinery" or "stock," one or two items actually forming a part of either his stock or machinery were omitted. As company representatives we, of course, know this is not true. The incident merely illustrates the fact that a policy simply insuring insured's stock of merchandise, consisting principally of shoes, covers even more effectually than a form enumerating each article composing the stock and avoids raising any doubts or misgivings in the mind of the client.

I quote from a paper read by Mr. W. N. Bament, General Adjuster The Home Insurance Company of New York: "The longest form may afford the shortest indemnity, and a good form can be very materially weakened by the injudicious addition of words, although it is better to use too many than too few. Vital points should be covered and useless phrases omitted. The three graces of the ideal insurance form are clearness, conciseness and completeness. One of the best things in the New

York Standard Policy is on the back of it: 'It is important that the written portions of all policies covering the same property read exactly alike. If they do not, they should be made uniform at once.' If proper attention were given to this admonition, the vocation of the apportionment expert would be gone and some of the troubles that now vex us would be at an end."

Right here I am reminded of the large number of varying dwelling house and contents of dwelling forms. I believe it would be difficult to find even two independently operated companies using the same forms. Yet in the event of a loss, by which two or more companies are affected, just what advantage does the assured or the company derive from any one of these different forms. I venture to say none whatever, unless the building is unoccupied at the time of the loss and one company's vacancy permit is not as liberal as the others.

I believe every company here represented would agree, if interested on any one dwelling line with two or more other companies, that all policies were concurrent although each company's policy covered under its own peculiar dwelling form. Every policy you issue contains a clause, "See that all policies read exactly alike," or one of similar intent. The owner of a large dwelling at Burlingame might demand that the L. & L. & G. and Ætna secure the dwelling forms of the London Assurance for their policies because the London happened to be the first policy he received, and his action would seem to be entirely logical, if the company's argument is with regard to its own dwelling forms.

The average agent, I believe, issues more policies on dwellings and their contents than on any other one classification, and would welcome any arrangement which would save him annoyance and trouble in having to search through his scattered supplies for the form of the particular company in which he has decided to issue the risk and, being unsuccessful, probably end in determining to write the line in some other company, the supplies for which he finds to hand. Often, I am told, the agent, to avoid this annoyance, prints his own dwelling forms which all his companies will accept without objection. Merely another argument against the multiplicity of policy forms.

Uniformity of forms cannot, of course, be maintained throughout the business. This is well stated by Mr. Julius Lucas, Jr., Vice-President of Davis, Dorland & Company of New York, in a paper read before the Insurance Society of New York. He says: "It is not practicable for underwriters to adopt uniform forms and enforce their employment on all contracts of insurance. Possibly so in case of household furniture and

dwellings, but surely not in cases of our large industries, consisting of many different types of buildings, with numerous and distinct hazards requiring special description and many modifications of the conditions of the policy." You will note he excepts mainly the "large industries" which I believe, should have and require specially prepared policy forms.

The forms suggested here, which should be uniform throughout the field, are only those printed slips which the companies send regularly to their agents with the agency outfit, such as dwelling, household furniture, mercantile buildings, stock and fittings, general merchandise, hardware, drug, country store and schoolhouse forms.

On account of the increasing tendency toward independent state legislature calling for special policy conditions and, as in Washington, the strict adherence to specified schedules and forms of clauses and permits, the most economical plan for the majority of companies, as regards many policy slips, permits and warranties, would appear to be to leave the furnishing of these slips to the central offices of all or a majority of the companies in each state. This plan has been adopted in California and, I believe, has proven most satisfactory to both the agents and companies. Any changes in such permits and warranties, made necessary by reason of changes in ratings or schedules, could then be effected before the agents were supplied and thus avoid much correspondence in making examinations and securing corrections.

There is one particular policy form which has proven confusing to many agents and been the cause of considerable correspondence, and that is the slip used by some of the companies containing all classes of permits for the use or storage of gasoline. This is printed in the form of a schedule. Each separate permit and its accompanying warranty being numbered or lettered. It is the intention of the company that the agent shall indicate, in the space left at the top of the slip for that purpose, which one of the warranties and permits shown is intended to be applied to the particular policy to which the slip is attached. The agents, in the majority of instances, neglect to indicate the warranty intended to apply. Thus, all the permits and warranties might be construed to attach, even though the additional charges required in some instances have not been made. Our experience seems to indicate that each gasoline warranty and permit should be printed on an entirely separate slip, adding, if desired, the proper additional charge required, if any, and such additional instructions to agents as might be deemed advisable.

As previously stated, if some arrangement could be effected by which practically all agency supplies, which are common to all companies, could

be printed and forwarded to local agents by some central office in the states where the agents reside (such, for instance, in Washington, as the surveying and rating or examining bureaus) the following advantages would accrue:

The agents would receive their supplies at least four days earlier than at present.

The forms and clauses would be in strict accord with existing rules and include all changes made necessary by old or recent changes in rules, rates or schedules.

The frequent error of furnishing California or Oregon supplies to Washington agents effectually corrected.

POSTAGE, EXPRESS AND PRINTING CHARGES REDUCED TO A MINIMUM.

First. Because an agent representing nine companies does not need an additional supply of the particular forms and clauses under discussion when taking in the tenth company, as the supply he already has will be useable when issuing policies in the new company, as well as in any one of the other nine represented. Thus postage and express charges are reduced in an appreciable amount as regards the supplying of the local agents.

Second. The expense of printing these items *must* be considerably less to each company because of the low figure which could be commanded by such central supply station from printers, on account of the large orders it would be necessary to place. It will readily be seen that, though this expense may be large in the aggregate it would be almost nil as regards each individual company.

Lastly. I have had expressions of the attitude of a large number of local agents on the subject of uniformity of forms and clauses and in every instance, without exception, they have expressed their desire for such an arrangement and entire faith in its effectiveness as regards their personal side of the question. I have talked with some of the larger agencies which use their own specially prepared daily reports and policy forms, and they stated that while their forms were printed with especial regard to their own convenience, the use of uniform dailies and forms by all companies would not discommode their office arrangements. The same argument used above with regard to the companies' convenience, being true as to the agents, what serves for the convenience of one must benefit the other.

Expense is one of the principal features in making a change of this character, and bureau and board managers, who are always desirous of keeping their expense item at the minimum, may look with dismay upon a proposition tending to increase this account as materially as the one under

discussion will no doubt do, but when the increase in assessments reaches the companies and is compared with the previous expenditures for printing it will be found the total printing expense has been materially reduced, not, to mention the annoyance avoided and postage expense and time saved to both agent and company.

The history of fire insurance in the United States indicates that when misunderstandings and the more common annoyances of the business, affecting more particularly the assured, reach a certain point, the legislatures step in and pass compulsory laws which the companies are bound to observe. Evidenced by the uniform policy form laws. Would it not therefore be well to adopt some system similar to the one proposed before the local agents who are combining all over the country and proving themselves of considerable political power, force a measure of this character through their representative legislatures?

Nearly all the territory east of the Rocky Mountains is gradually falling into line in this matter. In the Underwriters' Report of November 28, 1912, appeared the following, which I believe to be indicative: "The Western Union and the Western Insurance Bureau are organizing the Underwriters' Supply and Printing Company of Chicago for standardizing and printing policy forms. The company will be capitalized at $100,000 with shares of a par value of $100 each. Under co-operation it is hoped to furnish for 65 cents a thousand supplies which now cost $1.25 a thousand, and to avoid costly and unnecessary duplication. The average agency cost for supplies would not exceed $3, and this would give an initial saving of $310,000 a year. The committee estimates that $60,000 a year can be saved on policies and daily reports alone in the West." If this is true in the Western Union field, it will be equally as true on the Pacific slope. (Applause.)

*No.*_____

_____

Insurance Company

OF

_____

Amount $_____ Rate_____ Premium $_____

In Consideration of the Stipulations herein named and of

_____ *Dollars Premium*

Does Insure _____

_____ *for the term of* _____

from the _____ *day of* _____ *19*_____ *at noon*

to the _____ *day of* _____ *19*_____ *at noon*

Against all direct loss or damage by Fire, except as hereinafter provided, to an amount not exceeding

_____ Dollars,

to the following described property while located and contained as described herein, and not elsewhere, to-wit

(This is the form of Fire policy approved by the Insurance Department of New York and is made mandatory in that state. While suitable changes in the wording will of course be required in adapting the policy for use in other states having Standard policy laws, and by those New York Companies which operate under the Safety Fund law of that state, it is believed that the general arrangement is an excellent one that may properly become the standard throughout the country, except for the present in the three or four states in which a typewriter form of policy is prohibited; and in those states as soon as the prohibition ceases. The policy, daily report and duplicate daily report are to be manifolded together on the typewriter, all blank lines being properly spaced for that purpose. It is strongly urged that this uniform arrangement be preserved. The faint line in upper right hand corner of policy registers with the space for policy number on daily report. If agents are instructed to duplicate the policy number on this line it will show in proper place on daily report and the serious danger of omission of policy number will be obviated. Especial attention is called to the ample space allowed for the name of the assured, sufficient for very long titles; to the clear and orderly arrangement of dates of commencement and expiration, and to the wide margin at the bottom of the page, allowing the date of counter-signature to be written on the typewriter. These are especially important features in which many policies now in use are defective. It is recommended that the same general arrangement be used in the dwelling house and tornado policies.)

This Policy is made and accepted subject to the foregoing stipulations and conditions, and to the following stipulations and conditions printed on back hereof, which are hereby specially referred to and made a part of this Policy, together with such other provisions, agreements, or conditions as may be endorsed hereon or added hereto; and no officer, agent or other representative of this Company shall have power to waive any provision or condition of this Policy except such as by the terms of this Policy may be the subject of agreement endorsed hereon or added hereto; and as to such provisions and conditions no officer, agent, or representative shall have such power or be deemed or held to have waived such provisions or conditions unless such waiver, if any, shall be written upon or attached hereto, nor shall any privilege or permission affecting the insurance under this Policy exist or be claimed by the insured unless so written or attached.

_____

Provisions required by law to be stated in this Policy.—This policy is in a stock corporation.

_____

In Witness Whereof, this Company has executed and attested these presents; but this policy shall not be valid unless countersigned by the duly authorized Agent of the Company at _____

_____ Secretary. _____ President.

Countersigned at _____

this _____ *day of* _____ *19*_____ _____ Agent.

Is risk shown on Fire Map? _____
Vol _____ Page _____
Block No. _____
STREET:
Name _____
No. _____
Commission _____ %

DAILY REPORT AGENCY _____ POLIO _____
FIRE
POLICY NUMBER
OLD POLICY No.

_____

Insurance Company of _____

THIS SPACE FOR HOME OFFICE USE ONLY

*Amount $*_____ *Rate*_____ *Premium $*_____

_____ *Dollars Premium*

*Assured*_____

_____ *for the term of*_____

*from the*_____ *day of*_____ *19*_____ *at noon*

*to the*_____ *day of*_____ *19*_____ *at noon*

AMOUNT INSURED

_____ *Dollars,*

Give Full Copy of Written Portion of Policy

(This blank is designed to be manifolded with the policy and duplicate daily report where the duplicate system is used. It will be noted that the questions provide for all the information required by any considerable number of companies, but that the additional information required by individual companies may be asked for in the square provided for that purpose; thus preserving uniformity in the general arrangement. It is realized that the number of questions is somewhat in excess of those now asked by most companies, but the committee felt that it could best secure the co-operation of all companies by providing for very full information; and that, even from the agent's stand-point, the number of questions would not be objectionable in view of the uniformity of their arrangement. It is recommended that the same form be used for dwelling house dailies, most of the questions being equally applicable to that report. Attention is called to the fact that this blank may be filed in the vertical files now in general use, the policy number being perfectly accessible when so filed.)

What other Policies has this Co. on or in same risk? No._____ $_____; No._____ $_____; No._____ $_____.
" " " " " " within 200 feet? " _____ $_____; " _____ $_____; " _____ $_____.

*This Report mailed*_____ *19*____ _____ *Agent.*

AGENT'S SURVEY

(Give all information pertinent to this risk)

1. Total insurance on this risk: $ _____ (Give representative Co's and amounts) _____
2. Are rates and forms concurrent? _____
3. State value and total insurance carried on each item.

	Value	Total Insurance
1st item.	$	$
2nd "	$	$
3rd "	$	$
4th "	$	$

4. Is building on leased ground? _____
5. If so, when does lease expire? _____
6. Is real estate encumbered? _____ Amount $ _____
7. Is personal property encumbered? _____ Amount $ _____
8. Value of property mortgaged $ _____
9. Distance to nearest public fire hydrant? _____
10. How far is risk from Agency? _____
11. Have you inspected it? _____ When? _____
12. Material of building? _____ Roof? _____
13. Is building in good condition? _____
14. How heated? _____ Lighted? _____
15. Material of chimneys? _____ Are they built from the ground? _____ Are they safe? _____
16. Does any metal or tile stove pipe (state which) pass through windows, side of building, roof or unused room? _____
17. Is property occupied by owner or tenant? _____
18. Is it productive? _____
19. Does assured keep books of account? _____ In iron safe? _____
20. Does he take an inventory annually? _____
21. Date of latest inventory? _____ Am't $ _____
22. How long has assured resided in your place? _____
23. Has he had previous fires? _____ Explain fully below.
24. Has any Co. declined risk? _____ Explain fully below.
25. Does risk come to you direct or through solicitor or broker?
26. Do you fully recommend the risk as being free from all financial and moral hazard? _____

This Company requires further information as follows:

_____

The Following May Be Omitted in Case Risk is Correctly Shown on Fire Map.

GIVE ENTIRE OCCUPANCY OF PREMISES

Basement: _____
1st Story: _____
2nd Story: _____
3rd Story: _____
4th Story: _____
5th Story: _____

EXPOSURES WITHIN 200 FEET

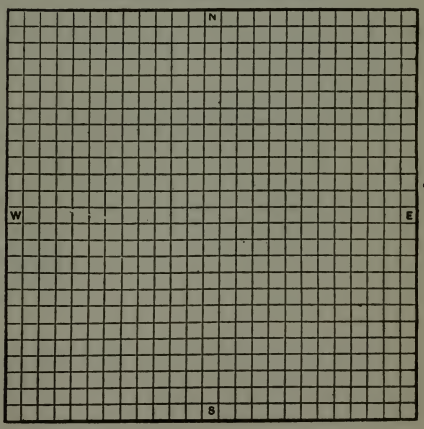
North _____ *Feet to* _____ *then*
_____ " " _____ *then*
_____ " " _____
East _____ *Feet to* _____ *then*
_____ " " _____ *then*
_____ " " _____
South _____ *Feet to* _____ *then*
_____ " " _____ *then*
_____ " " _____
West _____ *Feet to* _____ *then*
_____ " " _____ *then*
_____ " " _____

AGENT'S REMARKS

_____

DIAGRAM

(Each Square Represents Ten Feet)



Folio No.....

ENDORSEMENT

Agency at .....

.....Insurance Company

of.....

This Space for Home Office Use

Name of Assured.....

Policy No..... Amount Insured $.....
Renewal No..... Old Rate..... New Rate.....
Expiration.....19..... Extra Premium $.....
Endorsement Made.....19..... Return Premium $.....

(This blank is properly spaced for typewriter use.)

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

Agent.

FOR USE WHEN THE POLICY IS ASSIGNED

1. Is assignment based on actual sale?.....
   (If not, define interest of assignee)?.....
2. How long have you known assignee?.....
3. What is his financial condition?.....
4. Is he reliable and trustworthy?.....
5. If a newcomer what is former residence?.....

FOR USE WHEN PROPERTY IS MORTGAGED

6. Amount of Mortgage? $.....
7. When Due?.....
8. Cash market value of property mortgaged, $.....

FOR USE WHEN VACANCY PERMIT IS GRANTED

9. How near is building to good occupied dwelling?.....
10. Is it carefully looked after daily by some responsible person?.....

REMARKS BY AGENT

.....

.....

.....

FOR USE WHEN REMOVED TO NEW LOCATION

FIRE MAP.

Vol.....Page.....Block.....Street No.....

This Co. has other Insurance: (Give Policy Nos. and Amounts)
On or in this risk.....
On adjoining risks.....
Within 100 feet.....

Is risk under adequate fire protection?.....
Have you personally examined it?.....
When?.....

OCCUPANCY.

Basement.....
1st Story.....
2nd " .....
3rd " .....
4th " .....

EXPOSURES.
(To be used only when not shown on Fire Map.)

North.....
South.....
East.....
West.....

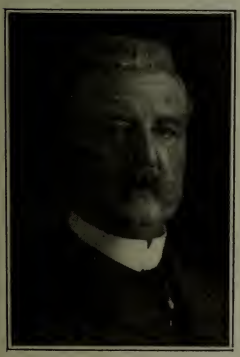
The President—If we can only follow out the suggestions of Mr. Keene, and introduce uniform policy forms into the business, it will be a distinct step in advance, just as good as universal screw threads are in the industries. It will facilitate by uniform work.

The next paper in order is one that comes from across the ocean, from London, England. It is written by Mr. C. F. Mullins, who was one of the leaders in the insurance business in San Francisco, being the manager of the Commercial Union Assurance Co. Mr. Niebling, his successor, has kindly consented to read the paper.

THE CAUSE OF THE APPARENTLY HIGH EXPENSE RATIO.

C. F. Mullins.

London, England.



I do not quite like the title of this paper because the word "apparently" is ambiguous and means on the one hand "seemingly in appearance;" but it also means on the other hand "plainly, clearly, manifestly, evidently." I use it (but in the latter sense) because it was suggested by your President, who graciously invited me to address you, and I assure you that it gives me great pleasure to be still in your minds and hearts though separated from you by long distances. Having thus in a figurative sense been formally introduced to you, I will now as briefly as may be proceed with the subject.

Is not the cause of the "high expense ratio" due in a large measure to the failure of companies to make the best of their opportunities to bring about reforms? The public has the right to expect the business to be conducted at the lowest cost consistent with efficiency so that the burden of premiums may be lessened and shareholders are also entitled to it, that competition may be kept within limits and that they may participate in the economies effected.

I shall only touch briefly on some of the expense items, assisted by some knowledge gained by experience in the management of fire insurance business.

My attention has been called to an address by the Hon. S. R. Barton of Nebraska read at the annual meeting of Insurance Commissioners at Spokane in 1912. It is a valuable paper and worthy of careful study, but

while the expense items may be correct according to the returns made by companies to the insurance commissioners they are not to be relied on, and remind one of the definition (with slight alteration) of the word liars, viz.: "There are liars, d——d liars and statisticians."

A number of companies who conduct their remote business through a general agency system instead of branch offices are absolutely without definite knowledge of most of the items of expense, and nearly the entire disbursements of the general agency are charged to commission account.

Many companies charge adjustment expenses to loss account, others when the loss is settled by their special agents do not charge adjustment expenses with the traveling to and from the point of deviation, nor hotel expenses, nor the pro rata of special agents' salary for the time expended in loss adjustment.

Inspection and surveys are stated to cost (roughly) one-third of one per cent of premium income, the true figure would be many times this, all the comments (save one) on adjustment expenses apply to expense of inspection and surveys. Further comment appears unnecessary to demonstrate that the items of expense as given by Mr. Barton cannot be accepted as a true guide, if they could this paper would not have been written.

INSPECTIONS AND SURVEYS.

There is a very large number of risks important as to size and the amount of insurance carried that are not special hazards, and also an almost unlimited number of special hazards many of them distant from the agency dealing with them that are usually inspected by an army of special agents. This causes annoyance to the insured and loss of much time to him or his employees; the recommendations are not always of a practical character and are frequently void of expert knowledge, and the final result of the work of this army of specials is almost worthless when the time and expense are taken into account. Let us assume a risk ten miles distant from an agency with a yearly premium of $100. Taking into account livery or motor hire, pro rata of hotel and traveling expenses and special agent's salary it will be found that from 15 per cent upwards of the premium income has been spent inspecting the risk, and this is repeated yearly by a number of companies. Why should not better results be obtained for a small proportion of the present cost? If the territory were divided into such sized areas that each could be covered by one *expert surveyor* visiting each risk annually, the insured would be relieved from annoyance, the recommendations would carry the weight of the combined

companies and more attention would be paid to suggestions for improving the risk. Companies when offered such a risk would at once find in their offices a competent survey with annual reviews to aid their judgment.

ADJUSTMENT OF LOSSES.

In the case of important losses we often find an army of specials, many of them in a hurry to get away and more anxious to settle than adjust and frequently pulling in different directions. Why not in all such cases select the three companies having the largest amounts on the risk and appoint them as an unpaid committee to deal with the claim? They would appoint one or more competent adjusters familiar with the particular industry, and the adjusters would act under the advice and instructions of the committee, and certainly the commitments of these three companies would sufficiently safeguard the interest of all others. By this method better adjustments and greater economy would be secured.

MAPS.

Why should the present system be continued for the profit of others who naturally operate for their own advantage; who frequently keep clients more or less satisfied (or dissatisfied), not infrequently leaving maps that need correction or remaking too long unattended to, and too often wasting companies' money by foisting upon them many sheets with scattered dwellings only thereon. The companies should co-operate in having their own staff of map makers, and it could be done by or in conjunction with the surveying corps.

PRINTING AND STATIONERY.

At important centres such as New York, Chicago, San Francisco and other places that would justify it, companies should have a plant owned in common, the saving should be important, and the printing of maps could be done by them. If companies could agree to standardize some of their forms, for example, daily reports, endorsement forms, account forms, proofs of loss, agents' registers, etc., the saving would be still greater and also facilitate the work of local agencies.

FIRE PREVENTION, ETC.

In a broad sense it is the duty of everyone to use reasonable effort in this direction, but I do not believe that an insurance company should spend appreciable sums of money for this purpose any more than a banking corporation should. Insurance companies are not paid for it; they do

not profit by it; they are not thanked for it, and they are criticised for their heavy expense account. If they reduce the hazard they soon have to reduce the rate and correspondingly their premium income from which they aim to make their profits, and the lower your rates the greater your difficulty in keeping expenses down. It is mainly the business of the property owner jointly with the community in which the property is located to determine what the risk shall be, and the business of the companies to fix a rate proportionate thereto.

COMMISSIONS.

I am not unmindful that agents often complain that when companies want to reduce expenses they usually *talk* about commissions first, but I do not recall any substantial *action* having been taken to reduce that expense. In the days when a level 15 per cent commission was paid to agents, it was fully realized that in cases of small premiums it did not always pay the agent (in the old days agents often collected a policy fee for their own benefit) but the average result was satisfactory. At the time 15 per cent was generally adopted there were no targets nor mammoth industrials. Conditions have changed and for good and sufficient reasons graded commissions have been adopted. But why grade upwards only? Are there no reasons for grading some commissions downwards and keeping closer to the old 15 per cent average? There is a multitude of risks that can be secured without the asking on which 15 per cent is paid. Who gets it? Your agents do not, except when they control the line. The agent or broker controlling the risk gets it, less 5 per cent he pays your agent for writing the policy. Why not reduce the commission on such risks to the 5 per cent your agent usually gets? Neither agent nor company will be prejudiced; they will both get the risk if they sit down and wait and they will not have to wait long. As agents, by placing preferred business in non-cooperating companies at higher rates of commission, have forced companies to grade commissions upwards on such business, is there any reason why accommodation risks and highly rated non-competed-for business bringing in large premiums should not be graded downwards?

The foregoing suggestions if acted on would appreciably reduce expenses. By confining the issue of surveys and maps to co-operating companies, the non-cooperating companies would be placed at a distinct disadvantage.

I write of the business as I left it a few years ago. If changes have been made forestalling any suggestion contained herein I am glad of it.

Many difficulties in making reforms will be met with, but it is the business of ambitious and able men to overcome difficulties; the mediocre can do routine work. I hear the pessimist say, "dreams." Never mind that; we are surrounded with useful things that were dreams a few years ago.

I venture to make the suggestion that the appointment of committees on each of the topics in this paper to report at your next meeting may serve a useful purpose and bring forth good fruit later on. (Applause.)

The President—I congratulate myself in asking Mr. Niebling to read the paper. I do not think I could have found a man who would read the paper more forcefully. I thank you very much.

The next in order is a paper by a gentleman who is, in my opinion, a very able man, and I know you judge him as I do from the excellent papers he has prepared for this Association, and the honor we accord him, which he deserves. I call upon Mr. Williams, Vice-President of the Association, to read his paper upon "Proper Vice."

Mr. Williams—Mr. President and fellow members: I hope that none of you will be disappointed when you find that this paper is not a history of myself. I recognize that you all think I am the proper Vice——President at this time.

PROPER VICE.

T. H. Williams.

Vice-President of the Association.



Necessity often forces us to do that which we would rather not do, and I confess, frankly, that this paper is the result of my search for some legal authority to substantiate a position I recently took in denying liability for damage caused by smoke and soot from a coal oil stove, otherwise this paper would not have been written.

This subject was ably discussed by Mr. Bernard Faymonville, before this Association, February 20th, 1888, and I am indebted to him for the valuable information his paper contains.

The policy contract plainly states that there can be no claim for loss except as a direct result of fire, yet we are continually being called upon to pay losses which are in no way contemplated under the contract. The claims are usually small but the pressure of the agent or broker is so great that we yield.

Some companies insist upon their rights, but they are very often placed in an embarrassing position by other companies which admit liability through fear of losing a few premiums. If all companies would stand firmly upon their rights no claim would be made.

Fires originate from three primary causes, Accident, Carelessness and Design.

Accidental. Accidental losses are from natural causes without the immediate willful intervention of human aid; such as poorly constructed chimneys and fireplaces, defective stoves, terra cotta flues, heating apparatus, electrical apparatus and wiring, friction of machinery, explosion, spontaneous combustion and many other causes.

Carelessness. Carelessness from dropping lighted matches, cigar and cigarette stubs into combustible material, the use of the criminal parlor match, stoves, steam and electrical apparatus placed too close to woodwork, using gasoline near an open light, filling lamps or stoves while lighted, etc.

Design.

Design when the insured deliberately sets fire to the premises, or does not protect the property during or after a fire.

We are responsible for some losses occasioned by accident and carelessness and while we are not liable for those caused by design, we are paying for them because our laws are such that it is exceedingly difficult to prove arson. You can convict a man of murder on circumstantial evidence, but it takes direct evidence to prove arson and even if proven, the jury is very apt to decide in favor of the insured against the rich corporation.

It is not the above class of losses which prompted this paper. It is losses where no effect from direct ignition can be shown, and which come under the head of "Proper Vice."

Proper Vice.

"Proper Vice" means a result which would naturally occur, as, physical corruption, moulding, spotting, dampness, discoloration, decay, heating, spoiling, evaporation, fermentation, shrinkage, souring, breakage, leakage, smoking of a lamp, stove, or fireplace.

Emerigon Ins. 312-315: 2 Arnold Ins. 758-760; Park Ins. 111; 2 Valin Comm. 80; 2 Magus Essays; 173-195; Weskett Ins. 326; Story U. S. C. C. 165;

Direct Loss.

In the policy contract we agree to indemnify for direct loss by fire arising from accidents, and not from the inherent qualities or natural defects of the thing insured, or that which is consumed by its own combustion.

The courts are unanimous in their opinions that the words "direct loss or damage by fire" mean loss or damage occurring directly from fire as the destroying agency, and not from any other cause. The word "direct" meaning "immediate" or "proximate" and not "remote."

Ermentraut vs. Girard (Minn.) 25 Ins. L. J. 81;

Why should we not be as liberal to ourselves as the courts are and refuse to recognize claims which are not legitimate?

Richards, in his book on "Insurance Law" (page 284), defines what is meant by "direct loss by fire" as follows: "Loss by fire means the result of the ignition of the property insured or of some substance near to it. If the

fire is in no respect a hostile fire, that is, if the fire itself does not pass beyond the limits assigned for it, as for example: a stove, furnace, lamp or similar receptacle intended to hold fire, then the results of smoke and heat, where there is no ignition outside the agency employed, are not covered by the policy. If the fire extends beyond the place where it belongs it becomes a hostile fire, which, indeed, is the peril insured against."

In the case of the American Towing Company vs. the German Fire Insurance Company, 74 Md. 25, 21 Atl. 553; the court said, "When fire is employed as an agent, either for the ordinary purpose of heating the building, for the purpose of manufacturing, or as an instrument of art, the insurer is not liable for the consequences thereof, so long as the fire itself is confined within the limits of the agencies employed, as from the effects of smoke or heat evolved thereby, or escaping therefrom, from any cause, whether intentional or accidental. In order to bring such consequences within the risk, there must be actual ignition outside of the agencies employed, not purposely caused by the insured, and these as a consequence of such ignition, dehors the agencies."

A lamp is not a fire when no ignition occurs outside of the lamp; this rule applies to any claim where no visible damage by fire can be seen. There mnst be a flame or there is no fire. We recognize claims for smoke and water damage, where an actual fire was in progress either on the premises or on those adjoining, whether the fire was caused by accident, carelessness, or design; but a flame must have caused the smoke and (or) the necessity for the water to extinguish it.

Cal. Ins. Co. vs. Union Compress Co. 19 Ins. L. J. 385;
Brady vs. Ins. Co. 11 Mich. 425;
Case vs. Hartford F. Ins. Co. 13 Ill. 676;

An insurance contract should be interpreted as other contracts are with this exception: the intention of the insured must be given consideration since he did not draw up or sign the form on his policy; but this does not mean that we should ignore its printed conditions and admit of a loss which is clearly not covered under the contract.

Varying the terms of a policy to suit each case is a dangerous precedent to establish, and it may be most embarrassing and costly at some future time.

Electricity. Electricity probably illustrates better than anything else what is meant by "Proper Vice" as it destroys the wires, or other avenues through which it passes, and, as a rule, causes no loss or damage to other property. We have attempted to limit our liability for loss caused by electricity, with the electric current clause, by excluding any loss to the wires or machinery caused by the electric current within it; but we are liable for any loss or damage from fire after it leaves the electrical apparatus. The electric current clause is not interpreted the same by all adjusters and disputes frequently arise during an adjustment on electrical machinery as to where the clause applies. There can be but one interpretation, and that is, that all wires and machinery which were destroyed by the electric current are not covered; and that all other apparatus or machinery which were not injured by this current and were damaged by fire, however caused, are covered. For example, we are not responsible for loss to the wires of a switchboard caused by their burning out, but we are liable for the damage to the board itself. We are not responsible for wires of a motor, rheostat or starting device which has been burned out; but we are liable for damage for everything connected with it. We do not replace incandescent bulbs or carbons destroyed by burning out; but if they ignite woodwork or anything else, we are liable for such damage.

Electric Devices. The electric iron has caused numerous losses of late and in nearly every case the adjuster has allowed for the iron in addition to other articles destroyed. We are not responsible for the units of the electric iron because they were destroyed by the qualities which make it of value. The electric water heater, toaster, bed warmer, stove and other heating devices are coming into general use and they will undoubtedly cause many fires. We should refuse to pay for the article itself and only pay for the damage done by it. The electric current clause should be made a part of every policy form and especially those covering the contents of dwellings, hotels, and restaurants, in order to properly protect the interests of the company.

Overheated Ovens.

We would not consider a claim for a roast which was burned in cooking, or in fact for anything which was consumed by fire in a receptacle which in the nature of things would consume it, if proper care and attention were not given, yet it was necessary for the courts to decide that a loss to sugar by the heat of the usual fires employed for refining, being increased inadvertently, was not a loss under a fire policy. In this case the court said: "There was no more fire than always exists when the manufacture was going on. Nothing was consumed by fire. The plaintiff's loss arose from negligent management of the machinery. The sugars were chiefly damaged by heat, and what produced that heat? Not any fire against which the company insured."

Austin vs. Drewe 6 Taunt. 436, Bennett 102;
Babcock vs. Ins. Co. 6 Barb. (N. Y.) 637;

Oil Lamps and Stoves.

Hardly a month passes that we are not called upon to pay a claim for damage caused by a lamp in which the wick was turned too high, and covered the walls and furniture with an oily smoke and soot. No fire occurred outside of the lamp and nothing was burned; but the agent or broker thinks the claim should be paid because the insured is a good customer. Many of these claims have been paid; but it is wrong from every stand-point. The companies should stand firm and refuse to consider claims of this kind. Two cases of this character have been referred to the courts and in each case they held there was no liability.

Samuels vs. Continental 2 Pa. Dist. R. 397;
Scripture vs. Ins. Co. 10 Cush. (Mass.) 356;
Fitzgerald vs. German-American 30 Misc. 72, 60 N. Y. Supp. 824;

Stoves.

Stoves for cooking purposes are frequently placed so near the wall or wainscoting, that heat therefrom blisters the paint. We are not liable for a loss of this kind unless the temperature is raised to a point of ignition. A fire then exists, within the meaning of the policy, and the company is liable for the loss or damage.

A fire box, bottom of a stove or oven may be destroyed by burning out, thus setting fire to the floor underneath it.

We are not responsible for the damage to the stove, but we are liable for the loss to the floor.

Stove Pipe.

A claim was made for damage caused by smoke and soot from a defective stove pipe and also for damage caused by water in cooling a portion of the ceiling heated by the stove pipe, but not actually ignited thereby. It was referred to the courts and they decided there was no liability under the policy.

Cannon vs. Phoenix 110 Ga. 563, 35 S. E. Rep. 775;

Spontaneous Combustion

Valin, Park, Arnold, Parsons, Bunion, Emerigon, Meredith, Weskett, Campbell, Griswold, May and Clements, all authorities on insurance law, agree that hay, jute, hemp, wool, rags, lime, coal, or any articles which are consumed by reason of their own qualities, which we term "spontaneous combustion," are not fire losses within the meaning of the insurance contract. That the insurance companies are not liable for damage to the thing itself, but that we are liable for the damage caused to other subjects. For instance, if a painter leaves oily rags in a building and it is destroyed by the ignition of these rags, we are liable for the loss to the building, but not for any value there may be in the rags.

If hay, wool or hemp ignites of itself we are not responsible for that portion which was destroyed by spontaneous combustion, but we are liable for all which was destroyed or damaged by the flames from it. If no flame ensues it is not a loss under the policy. We frequently receive proofs of loss in which the origin of the fire is stated to be "spontaneous combustion" and we pay these losses without question, when, as a matter of fact, we should insist upon knowing how much was destroyed by reason of its own ignition and then deny any liability therefor.

A very interesting case is that of the Western Woolen Mills Company vs. Northern Assurance Company (U. S. C. C.) 139 Fed. Rep. 637; where wool was submerged and spontaneous combustion resulted. The wool became so hot that the strings around the bales burned and it was necessary to use pitchforks to handle it. There was evidence of ashes but no visible flame. The court held, "That according to the evidence, the internal development

of the heat never at any time became so rapid as to produce a flame or glow, and hence within the meaning of the word "fire," as used in the policy, there was no "fire."

Before heat, or decomposition in animal or vegetable matter reaches the point of ignition, there must be "a flame or a glow" or something that can be called "luminosity" or it is not a fire. Loss caused by escaping steam is not a loss under a fire insurance policy.

Gibbons vs. German Ins. Co. 30 Ill. App. 263;

Explosion.

The same rule applies to losses from explosion as to those caused by spontaneous combustion. We are not responsible for any loss done by the explosion, but we are liable for all damage which the fire from the explosion causes. If the fire preceeds the explosion, we are liable for the entire loss from explosion and fire. The difficulty is to prove where one commences and the other ends.

Phoenix vs. Adams (Kan. C. A.) 39 Ins. L. J. 1064;
Boatman's Ins. Co. vs. Parker 23 Ohio St. 85;
Stanley vs. Western Ins. Co. L. R. 3 Ex. 71;
Commercial Ins. Co. vs. Robinson 64 Ill. 265;
Mitchell vs. Potomac Ins. Co. 183 U. S. 42, 22 Sup. 22;
Washburn vs. Western Ins. Co. 29 Fed. Cases 330;
Heuer vs. Northwestern Nat. Ins. Co. 144 Ill. 393;
Transatlantic vs. Dorsey 56 Md. 70, 40 Am. Rep. 403;
Cohn vs. National Ins. Co. 96 Mo. App; 315, 70 S. W. 259;
Briggs vs. N. B. & M. Ins. Co. 53 N. Y. 446;

Lightning.

The policy conditions recite that the company will not be liable for any loss by lightning, unless fire ensues, and in that event, for damage by fire only. Buildings are frequently cracked, rent and torn in pieces by lightning, without showing any damage by fire whatever and it is this class of losses which the clause is intended to cover.

There can be no fire loss unless there be actual ignition or burning and the loss be the effect of such ignition, not that the identical property to which the damage occurred should be consumed, or even ignited; but there must be a fire or burning which is the proximate cause of the loss. It is immaterial how intense the heat may be, unless it be the effect of ignition, it is not within the terms of the policy. Companies may, by endorsement, assume liability

for loss caused by lightning which covers loss or damage by lightning only, but if fire ensues the loss and (or) damage caused thereby is covered by the fire policy.

The Attorney - General of California held that fire insurance companies could not assume liability for losses caused by lightning unless they put up a separate deposit for that purpose, as a loss by lightning was not a fire loss.

The courts seem to take the same view of the matter and unless liability is specifically assumed by the company, there can be no loss under a fire insurance contract.

Kenniston vs. Ins. Co. 14 N. H. 341;
Babcock vs. Ins. Co. 6 Barb. N. Y. 687. Supra.
Spinsley vs. Lancashire Ins. Co. Wis. S. C. 11 Ins. L. J. 371;
Baker vs. Rockford Ins. Co. U. S. C. C. Minn. 1883;
Kittleman vs. Fire Ass'n 79 Mo. App. 447;
Beals vs. Phoenix 24 Ins. L. J. 73;
Clark vs. Farmers Mut. Ins. Co. 86 N. W. Rep. 549;
Beakes vs. Phoenix N. Y. S. C. 54 N. Y. 290;

Chimney Fires. Roofs are frequently set on fire from soot caused by the burning out of a chimney, and we are clearly responsible for such losses. In the case of Way vs. Abington Mutual Insurance Company (Mass.) 43 N. E. 1032; the court said: "A chimney is not intended to be used as a place in which to kindle fires, or to have fires for use or enjoyment in connection with the occupation of the building. It is intended to carry off the products of combustion. Occasional fires in a chimney from the ignition of soot, are to be expected. In a sense they are accidental for they start from time to time without human aid and a loss or damage from such cause is covered under the policy."

General. If the insured, after a fire, destroys or injures the goods or property; if he makes no effort to put the fire out or protect the property after a fire; such loss or damage is not a loss by "fire" within the meaning of the policy.

Dohrman vs. Niagara, 96 Wis. 38, 71 N. W. Rep. 69; 27 Ins. L. J. 357;
Thornton vs. Security Ins. Co. 117 Fed. 773;
Chandler vs. Worcester Ins. Co. 3 Cush. (Mass.) 328;
Phoenix vs. Mills 77 Ill. App. 546;

Where lumber in a dry kiln is superheated to such an extent as to destroy the fibre of the wood, and render it useless for manufacturing purposes, it is not a loss by fire.

A company is not liable where the fire resulted from the fumigation of the house by the Board of Health, under the clause in the policy "This company shall not be liable for loss caused directly or indirectly by military or usurped power, or by order of any civil authority." The word "indirectly" covers all the causes of loss, mentioned, and will exempt the company from liability where the loss occurred indirectly by order of any civil authorities, as well as where it resulted directly therefrom. The proximate cause of a fire is the efficient cause which puts the other cause into motion.

Hocking vs. British America (Wash. S. C.) 40 Ins. L. J. 799;
Ins. Co. vs. Boon 95 U. S. 117, 24 L. Ed. 395;
Grand Trunk Ry vs. Richardson 91 U. S. 454, 23 L. Ed. 356;
Barton vs. Home Ins. Co. 42 Mo. 156, 97 Am. Dec. 329;
Conner vs. Manchester 130 Fed. 743;

There is another class of claims, for which we are not liable that give us considerable trouble and which we pay if the adjuster does not insist upon an itemized estimate of damage. That is, where the city authorities will not permit the building to be repaired and placed in the same condition it was before the fire. I refer particularly to electric wiring, fireplaces and chimneys. The policy conditions read: "The company will not be liable beyond the actual cash value of the interest of the insured in the property at the time of loss or damage nor exceeding what it would then cost the insured to repair or replace the same with material of like kind and quality; said cash value to be estimated without allowance for any increased cost of repair or reconstruction by reason of any ordinance or law regulating repair or construction of buildings."

It is clear that we are only liable for what it would cost to put the property back in the same condition it was before the fire, whether the insured is or is not allowed to do so and that is all the company should pay.

Conclusion. There seems to be enough legal authority and decisions for denying liability for loss or damage resulting from the following causes:

If smoke or soot is thrown off by a lamp or coal oil heater.
If a stove is cracked or spoiled by fire kindled in it.
If a fire in a fireplace should crack the mantle or scorch anything left too near it; or injure property by its smoke which the chimney failed to carry off.
If a wall or wainscoting is scorched or blistered by heat from a gas plate or stove placed too close to it.
For spontaneous combustion where there is no actual flame.
For fire loss by lightning where there is no actual ignition.
For electricity where there is no damage except that caused by the electric current within it.
For coffee in a coffee roaster, by the usual fire.
For sugar in its cooking pans, by the usual fire.
For lumber in a dry kiln, unless the kiln burns.
Or for any article which is consumed or damaged in the ordinary process of manufacturing except where the heat or fire is communicated from some cause other than that usually employed. In other words the fire must become a hostile one in order to make the company liable under its contract.

For physical corruption, moulding, spotting, dampness, discoloration, decay, heating, spoiling, evaporation, fermentation, shrinkage, souring, breakage or leakage, except as a direct result of fire or from water in extinguishing the fire.

Mr. Sexton—Mr. Chairman, this is an every day practical paper, that any of us specials or adjusters or underwriters can understand and apply. I suggest that the matter be referred to the Executive Committee, with a view of printing a number of copies to be placed on sale, so that each traveling man can have one in his library and one with him. I make that a motion.

The Secretary—I second the motion.

The President—Won't you add to that the paper of Mr. Williams, which was printed last year and which is now out of print, that it be also re-printed.

Mr. Sexton—Yes, I will add that, to be left with the Executive Committee.

The President—You have heard the motion, which is that the paper just read by Mr. Williams and the one read by him last year and now out of sale, be both referred to the Executive Committee, with a view of having copies of them placed on sale.

The motion carried unanimously.

Mr. Sexton—Now, Mr. President, with reference to the paper of Mr. Mullins. As we old fellows know, Mr. Mullins was a stalwart in the business, and what he didn't know about the business was not worth knowing. His paper contains a great many recommendations, and I would suggest that committees be selected for each one of those, in combination with the matter of uniform policy forms, as set forth in Mr. Keene's paper. It should be combined with that, and committees on each one of those appointed, so that we may, if possible, have something taught us by those committees the next time we meet.

The Secretary—I second that motion.

The President—It is moved and seconded that a committee be appointed, presumably by the incoming president, on the papers on Uniform Insurance Blanks and Policy Forms, and the recommendations contained in the paper of Mr. Mullins. Are you ready for the question?

The motion carried unanimously.

The President—The motion is carried and the incoming president will appoint the committee.

Mr. Thornton—Mr. President, in relation to some of the points brought forth by Mr. Williams, he referred to two matters which are rather doubtful in my mind. In his entire paper he refers to "direct loss or damage," "the company is not liable for anything except direct loss or damage," and therefore it is not

liable for the numerous causes that he has explained. But, under the California policy, the word "direct" is eliminated. I would be interested to know whether the company would be liable or not under the California form. Then, in another instance, he uses the word "ignition" and again "glow," and again "flame." Is the company liable when an article close to the friendly fire has been so heated that combustion commences, and it actually begins to get red, but no flame has actually taken place? Is the company then liable? If Mr. Williams cares to differentiate between "flame," "ignition," "combustion," "glow," I would like to have the matter clear in my mind.

Mr. Williams—In reply to the last statement of Mr. Thornton about the article becoming red from the close proximity of the article to the friendly fire, in which case it would not break into a flame, I hardly think that that would be a possible thing. If it once assumed that red color, it would burst into flames instantly. If the article is scorched, we are not responsible for the loss. It must break into a flame or be consumed, or we are not responsible.

Mr. Brown—However, if there is a glow without actual flame, would the company then be liable, would that be possible?

Mr. Williams—I do not think so. In order to give a glow there must be a flame or something kindred to it.

Mr. Brown—A coal, for instance, is glowing.

Mr. Williams—Yes, but it is flaming also, and, as long as it remains in its proper channel, we are not responsible. But when it gets out of its proper channel, then we are.

Mr. Bates—I would like to ask Mr. Williams one more question, in that particular. Supposing that some red hot coals fell out of a grate. They are not burning, but they are red hot and there is no flame, and they roll out and roll on the carpet, and, without igniting the carpet, simply eat their way through. Is that a fire loss under the policy?

Mr. Williams—I do not think so, although we are paying for such losses?

Mr. Sexton—Mr. Chairman, I think Mr. Williams is right on the law, and my legal friend on my right here is also right on the practice. A great deal depends on the court and the jury in these cases. Now, this Northern case referred to went to the United States Supreme Court, and the United States Supreme Court held that the companies were not responsible. But another company covering $1,500 in the same fire, not carried to the United States court, had to pay that loss. So very much depends on the court. While Mr. Williams is correct, in nine cases out of ten, I am afraid Mr. Thornton's idea would be against us on the other side, that there would be a glow and we would not see it.

The President—I have a letter, gentlemen, from Mr. Charles C. Moore, President of the Panama Pacific International Exposition Company, addressed to me dated January 14, 1913, which I desire to read:

"The Congress of the United States, with the approval of the President, has selected San Francisco as the place for celebrating the world's greatest physical achievement, the completion of the Panama Canal. Here in 1915 the nations of the world will assemble not merely representing their most important, valuable and interesting productions, but in a series of congresses which are intended to be the most important the world has ever known. These are intended to bring here the most noted thinkers and publicists of the world, men of all nations of broadest intellectual grasp of world affairs. One of the most important of these congresses is the World's Insurance Congress, a world gathering that will consider the problems of the various lines of insurance.

"It is, therefore, a matter of unusual consequence that the important convention to be held that year by your body should choose San Francisco as its meeting place. We have delegated Mr. W. L. Hathaway of San Francisco, Commissioner of the

Panama Pacific International Exposition for the World's Insurance Congress of 1915, to appear before your convention at San Francisco, as the representative of the President of the Panama Pacific Universal Exposition, to extend in his name to the members of your convention an invitation on behalf of the Exposition. We also invite your earnest co-operation with Mr. Hathaway in arranging for the congress.

"We ask for him the courtesy of a hearing, and earnestly hope that the sentiment of the convention will be in favor of holding its 1915 meeting in San Francisco. Should your organization decide to hold its 1915 meeting in this city we shall be glad, if you so desire, to arrange for suitable halls for all sessions."

I think under our mode of business it would be better to have this letter referred to the Executive Committee, to be considered by it at its meeting tomorrow, if that suits your pleasure. Or does the meeting here wish to take up the matter with Mr. Hathaway this afternoon?

Mr. Sexton—I suggest that the subject matter go to the Executive Committee, and so move, Mr. Chairman.

Mr. Bates—I second the motion.

The President—It is moved and seconded that this matter be referred to the Executive Committee.

The motion carried unanimously.

The President—Next in order is a paper, "The Insurance Press," by Mr. John C. Piver. This is the only paper that comes before you at this meeting that I have not read, and I shall be just as much interested as any one of you in hearing what Mr. Piver has written for us.

Mr. Piver—Mr. President and gentlemen: I can promise you this is going to be a short spasm. It will not keep you very long. I hope it won't do you any harm.

THE INSURANCE PRESS.

John C. Piver.

Editor Underwriters Report, San Francisco.



EARLY HISTORY.

The insurance press has had no less a remarkable development than the great system of insurance of the present day. Like insurance, its early operations were humble and in its early development bore little indication of the great mission it had entered upon. Devoted to the principles which represented the early development of insurance, it had its share in the alternate successes and trials which have characterized the system of indemnity from its beginning to the present time. Although well established in England, the insurance press first made its appearance in the United States on March 6th, 1850, when The Insurance Advocate and Journal was issued by the late Alfred S. Gillett, then an humble local agent at Chicopee Falls, Massachusetts. The announced purpose of the publication was "to furnish such information as would lead to more thorough investigation of the principles which govern life, fire and marine insurance in this country." After one year, The Insurance Advocate and Journal was compelled to suspend and insurance journalism languished until 1852, when Tuckett's Monthly Insurance Journal, modeled after the insurance journalism practiced at that time in England, made its appearance at Philadelphia. From the date of the Philadelphia enterprise, however, the development of insurance journalism was rapid, the honor of having the greater number of journals being shared alternately by New York and Philadelphia until the first named took the lead which it has since maintained. In its early years the insurance press of America knew little of personal accident, casualty, surety and liability insurance, these branches being undeveloped on this side of the Atlantic. That the editors of the early papers had their hands full, nevertheless, is shown by a perusal of the earlier editions, the subjects of fire, marine and life insurance being discussed with surprising vigor and an exhaustive understanding.

FUNCTIONS.

From the outset the insurance press has labored to preserve the ideals of the great business of insurance, while serving a useful function through the dissemination of news of the business and the discussion of topics of special interest. In its mission to serve insurance, it has apparently always had the latter's best interests in mind and has earnestly sought to serve insurance with efficiency. The proper discussion of the complex problems of insurance in the latter's great variety calls for the highest order of technical knowledge, as well as constant accuracy, and that these features are appreciated and preserved by publishers of the insurance press may readily be gained by a reading of their productions. In its important work of seeking out and printing the truths and development of insurance, the insurance press has gained the confidence and esteem of the fraternity, whose membership generally has responded with the substantial support needed to maintain its important functions. Having become an integral part of the general scheme, it is creditable to insure operators that they are disposed to give to the insurance press the recognition already mentioned.

SEVENTY-SIX JOURNALS.

Compared with publications of other trades, the number of insurance journals is only exceeded by the papers regularly devoted to finance and banking, there being ninety-three of the latter. Insurance journals number seventy-six, the automobile trade being next on the list with forty-six publications. Then follow papers representing liquor interests and numbering forty; electrical journals, thirty-three; mining publications, thirty-two, while real estate comes next with twenty-two trade publications. At the present time, as before stated, there are seventy-six publications devoted to insurance regularly issued, the list of journals including five publications devoted exclusively to life insurance, while two journals cover accident insurance and two find the subjects of fire prevention and protection their principal work. The balance of the insurance press is represented by sixty-seven publications which devote their space to fire, life and miscellaneous topics equally divided. Monthly journals are in the majority, not less than fifty of the latter being issued. The weekly papers come next in number, there being fifteen of these, with the fortnightly journals next, numbering ten. As might be expected, the majority of the insurance periodicals are located in the larger insurance centers, no less than thirty-two being published at New York. Philadelphia has six, while Chicago and San Francisco have four each. Atlanta houses three; Boston, Baltimore, New Orleans, St. Louis, Louisville and Des Moines

each account for two journals, while the following cities are represented by one: Hartford, Newark, Pittsburgh, Kansas City, Indianapolis, Detroit, Washington, Denver, Los Angeles and Portland. The remainder of the publications are located in various smaller cities. Besides the regular insurance journals, there are a number of daily and weekly papers which devote more or less space to news of insurance and the discussion of insurance subjects. Many of the insurance companies, including fire, life and miscellaneous, have their own papers which are issued at regular or irregular intervals, being devoted mainly to the interests of the issuing company. In addition to the above there are publications regularly issued by underwriting organizations, notable instances being the excellent American Agency Bulletin, of the National Association of Local Fire Insurance Agents, while the life interests are admirably served by Life Association News, a monthly issued by the National Association of Life Underwriters.

DEVELOPMENT OF NEWS FEATURES.

An innovation of recent date by the insurance press is the practice of featuring news happenings of the insurance world. As might be surmised, this departure is largely the work of the weeklies, whose more frequent dates of issue give them an advantage over the papers issuing less frequently. By the employment of a regular corps of staff correspondents located at central points, practically all of the happenings of interest to the insurance world are secured and presented without delay. Supplementing their written reports or stories by the use of the telegraph, the operations of the correspondents for the news weeklies enable the latter to provide their readers promptly with original matter which is quite beyond the reach of the ordinary insurance journal. That this service is appreciated, may be judged from the rapid and substantial growth of the papers of the class referred to. Through the development of this feature of its service, the news weekly has also increased its circulation to a figure seldom contemplated by the publisher of the ordinary monthly or bi-monthly journal. This development of news and circulation has increased its cost of production, and in consequence advertising rates are considerably higher than in the other journals. Insurance executives who insist upon returns from advertising in the insurance press, however, have found, in common with other prudent advertisers, that other things being equal, the medium with the largest circulation gives the most satisfying results.

MISDIRECTED SUPPORT.

The statement is often heard that there are too many insurance papers. Now while underwriters will agree perhaps, that there are too many poor insurance papers, no one will maintain that there are too many good insurance papers. Admitting that many of the insurance papers published today are lacking in the initiative and influence which trade publications should possess to properly serve their trade, what is the reason for their existence and maintenance? Does not the fault lie with the indifferent company executive or soft-hearted manager who cannot or will not put his support and patronage of insurance papers on a sensible business basis? Instead of apportioning $200 each year for the Monthly Underwriter because he is friendly with the latter's publisher, or, because the paper is disposed to give him a personal puff when the occasion serves; or, fearing perhaps that refusal to support the paper will invite unfavorable criticism of his affairs; why not assign his patronage to the insurance press in proportion to the latter's circulation and influence? Some time ago a prominent department manager with a desire to place his advertising allowance upon a business basis, invited four insurance journals to furnish him with a statement of their circulation by states, together with other data which he deemed necessary to determine the papers' influence and value as advertising mediums. To this obviously legitimate request no heed was paid except by one weekly paper which promptly furnished the required information. Of the three others, two maintained silence, while the other, with an apparent view to discourage the information seeker, called upon the department manager for an itemized account of his company's loss settlements in the San Francisco conflagration. From the foregoing, it would seem that the proper course left for the department manager was to reward the publisher who had the honesty to permit examination of his wares by a prospective customer. Doubtless the manager was justified in transferring his advertising to the honest publisher and cutting off his support from the others. In truth he did not do either, but continued to support the four publications the same as before.

SITUATION DISCOURAGING.

Now this condition is discouraging to the insurance journalist who is honestly and sincerely seeking to represent and benefit the great institution of insurance. To build up and operate a live insurance paper requires capital, initiative and considerable intelligence, to say nothing of a working knowledge of the various branches of insurance, which can only be had after years of study and practice. When with these requisites a consider-

able circulation and corresponding influence has been developed by the publisher, it is obviously the duty of insurance to support the latter so far as its judgment and means will permit. Unfortunately, through years of practice, it has become a custom with certain executives to divide their annual advertising by the number of insurance papers the management wishes to favor. As a result, worthy papers are ill supported while the other publications receive more recognition than they are entitled to. It has been suggested that no insurance journal is really worthy of support until it has been established for at least ten years. But the general observance or adoption of the ten-year rule would undoubtedly work a hardship upon worthy young papers which had otherwise proven their right to recognition. A far better and more equitable plan would be for companies or managers to insist that no insurance paper be eligible for support unless it possesses a bona fide circulation of at least 1,000 copies per issue. One thousand copies is a fair circulation for the average trade publication, and to insist upon this as a minimum would work no hardship upon the legitimate publishers. To the others, such a requisite might serve as a spur to stimulate their efforts to reach this goal, with failure making for increased mortality among the unfortunates.

PRESENT SYSTEM IMPROPER.

While not advocating a slaughter of the innocents, it is plain that the present system followed by companies in supporting the insurance press, through so-called advertising, is both impractical and extravagant. Impracticable because of improper or ill-prepared copy or advertising matter, and extravagant because no effort is made to obtain proper value for the money expended. If favorable publicity is desirable all insurance journals which devote their energy and space to providing it are clearly entitled to the support of the companies. For this reason every insurance paper should receive the support of the companies so far as the latter are able to give the same. But at the same time the companies should be prepared to recognize individual merit and if, upon proper examination, certain papers are found to have a larger circulation and greater influence, then the duty of the companies is to express their support of these individual papers in a substantial manner.

IS ADVERTISING CHARITY?

Many executives and company managers affect to believe that advertising in insurance journals is not advertising in its accepted sense, but is merely an expression of favor or support for the journals and their work in behalf of insurance. The belief that advertising in insurance journals

is an act of charity doubtless holds true with many of the papers of limited circulation and corresponding influence, just as it does with advertising in any medium of doubtful value. Advertising has been defined as, "the act of turning the attention of others to a certain object in a public manner." This is precisely what the insurance press seeks to do and engages to do when it accepts payment from insurance companies for printing the latter's announcements, cards or annual statements, as the case may be. When it has performed this service it has as fully earned the emolument previously agreed upon as any other trade or technical journal has earned the support of the interests to which it is devoted. Certain executives, for want perhaps of a better excuse, sometimes seek to evade patronage of insurance journals on the ground that the papers, being read exclusively by persons selling insurance, do not reach policyholders and hence cannot influence the consumer. This is clearly an evasion and if generally applied there would remain no field for trade papers of any nature. As an illustration: If a manufacturer of a steel saw of undoubted merit wished to encourage a sale of his product, his first step is to announce his article to the steel or hardware trade. This is secured by means of advertising in the trade journals specializing in these matters until the trade or retailers are familiar with the advertised article and its announced advantages. Proceeding along these lines, the manufacturer creates a favorable interest among retailers, who correspond with the position of the ordinary insurance agent, and when the retailer is subsequently attracted to handle and sell the manufacturer's product, who will deny that this happy result was produced by the advertisement in the trade paper.

INSURANCE PRESS BENEFICIAL.

Apart from the bare claim that the insurance press has upon insurance because of the favorable publicity given the business, there is a broader claim, which insurance interests generally are glad to award, on the score of general benefit to the business. It is upon the insurance press that insurance people depend directly for much of their information and indirectly for some of their technical knowledge of the business and its many divisions. Without its press, for the most part presided over by conscientious and well informed editors, who have the best interests of the business at heart, insurance could not have made the advancement which marks it today. Compared with other trade journals, the insurance press undoubtedly ranks well in the lead and it should do so, for what business or enterprise in the economic scale of things can match the system of indemnity practiced by present day insurance? (Applause.)

The President—We have been listening to a very good exposition of the subject, not only a review, but also a criticism, and I think we can get the value of it. There is no doubt that Mr. Piver knows the subject. This afternoon I hope we may start in at 2 o'clock promptly, as otherwise we shall not get through. We conclude our morning session after having disposed of seven papers.

The meeting will now stand adjourned until 2 o'clock.



FOURTH SESSION

Two o'clock, Wednesday, January 15, 1913.

The President—I want again to call the attention of the members to the fact that tonight at the banquet, which is at 7 o'clock at the Palace hotel, there will be a diagram placed where each one can look up his location, and I wish each one would inform himself as to that before we enter the banquet room.

Mr. Hathaway was here a little while ago and presented the formal invitation of the Exposition Company, a very nicely engraved invitation, to the Fire Underwriters' Association of the Pacific to the Insurance Congress, and also a letter showing that Mr. William J. Dutton is chairman of the Executive Committee of the Congress. I will read the letter to you dated January 15, 1913.

"January 15, 1913.

"I have the honor to present to you a letter from President Chas. C. Moore, together with the Exposition Company's official invitation to hold their annual meeting in this city in the year 1915 in connection with the World's Insurance Congress, which the Exposition Company has assumed the responsibility of inaugurating here that year.

"This congress will deal with all classes of insurance, and a national organization is being created with representation from all branches of insurance to act with this office in the arranging of the details of this congress, the meetings of various associations here that year and the representation that each will have in the congress.

"The organization is being created with an Executive Committee of five prominent California insurance men, the following three of which have already been appointed:

"Wm. J. Dutton, Chairman, President Fireman's Fund Insurance Company; George I. Cochran, President Pacific Mutual Life Insurance Company; E. C. Cooper, State Insurance Commissioner, and to co-operate with them there is being created a National Council, by each association of importance being asked to name one member to serve in that body; and this is to request that your association at this meeting take such action as you may deem necessary to accredit for our appointment to the National Council one of your members. (Signed)

W. L. Hathaway, Commissioner."

I wanted particularly to bring this to your attention, to show that the fire insurance men have been duly represented. If there is no objection, this will also be referred to the Executive Committee.

Next in order is a paper entitled "Water Works for Fire Protection," and it refers more especially to small towns. It is a paper which is of great value to us, and will show the value of extending membership to the bureaus, whereby we gain practical men who will, in future, enhance the usefulness of our Association. Mr. Mathews.

WATER WORKS FOR FIRE PROTECTION.

R. B. Mathews.

Engineer Board of Underwriters, San Francisco.



Your President has requested me to treat this subject in such a manner that the substance of the paper may be used as a primer or elementary text book by any layman. Having this object in view, I shall attempt a discussion which owing to the nature of the subject must be largely technical and will, necessarily, embody many ideas that are not new to the student of fire protection.

There are two requisites to a water works system for fire protection: First—That it be capable of delivering certain definite quantities of water at given points, and, Second—That there be sufficient pressure behind this water at points where it is taken from the system to force it through hose or other equipment with sufficient velocity to throw it on to the fire to the best advantage. It must be understood that water is the extinguishing agent and that it is the quantity of water, usually expressed in gallons per minute in fire protection parlance, that can be applied to the fire that determines the protective efficiency of the system. There appears to be a very general misconception that pressure alone is the measure of the value of a water works system for fire protection. A query as to the nature of protection in a community or town will almost invariably be answered by single reference to pressure. Contrary to this notion is the fact that the most effective way of extinguishing a fire in a burning building would be, if it were possible, to pick up the building bodily and submerge it in the ocean, in which case pressure would play no part at all. Since it is impossible to put the fire into the water, we must throw the water on to the fire, which introduces pressure as a necessary factor. But the mere fact that a guage attached to a hydrant shows a good pressure has no significance whatever, taken by itself.

The essential parts of a water works system are:

1—A source of supply.

2—Supply mains from source to distributing system.

3—Distributing mains.

4—Hydrants.

There are two possible sources of supply, gravity and direct pressure, the latter depending on some means other than gravity for producing pressure in the pipes.

A gravity supply must have the intake of the pipe system at such elevation above points where water is to be used as to give the desired flowing pressure, every foot difference in elevation producing in the pipe a pressure of .434 pounds per square inch when no water is flowing, this being known as the static head. To this must be added the loss of pressure by friction in the pipes when the maximum quantity of water judged likely to be used at any one time is flowing. This friction loss depends on five things: The length of pipe system between intake and point where water is used; the size of pipes; the character of the interior surface of the pipes, as to roughness or smoothness; the nature and number of bends, sudden contractions, enlargements or obstructions; and the quantity of water flowing.

The loss of pressure by friction can be computed very closely by hydraulic formulae for any given set of conditions, and is a matter that demands the most careful consideration. The static pressure on the system, or the pressure existing under ordinary conditions of domestic flow, especially if this quantity be small as compared with the demand for fire purposes may be very misleading, as may be seen by the following illustration:

Consider a system that ordinarily supplies 300 gallons of water per minute for domestic use. Based on the usual estimate of 100 gallons per capita per day this would supply a town of about 4,000 population. The recommendation of the Underwriters' Uniformity Association calls for a fire flow of 2,000 gallons per minute, the equivalent of eight standard fire streams for a town of this size. Assume the loss of pressure by friction in the pipe system to be five pounds under ordinary conditions of domestic consumption. The sum of the domestic and fire flow is 2,300 gallons per minute and the pressure loss would accordingly be 240 pounds during the fire flow, or 48 times as much as under normal conditions. In order to maintain a hydrant pressure of 80 pounds under the fire demand there would have to be a static pressure of 320 pounds on the system and a normal pressure of 315 pounds. These figures are based on the hydraulic law that loss of pressure by friction in pipes varies approximately, but not exactly, as the square of the quantity flowing, for a given pipe system; that is, if the quantity be doubled the pressure loss will be quadrupled, or if the quantity be trebled the loss of pressure will be multiplied by the factor nine. The illustration cited above represents

conditions that would actually exist for a pipe system the equivalent of 5,600 feet, or a little over a mile of 8-inch clean pipe, straight and without obstructions of any kind. The effect of these and also of age would be to increase the friction; the latter, by reason of the roughening or tuberculation of the interior surface of the pipes from corrosion.

Such a condition as our illustration refers to would more likely be encountered in a small town than in a large one as the ratio of domestic use to fire demand increases with the population, as may be seen by reference to curve sheet No. 1 showing the relation between these two quantities.

(Explanatory cuts on pages 169, 170 and 171.)

Of the two supplies gravity and direct pressure, the gravity is by far the better because it is positively automatic, not depending on mechanical devices which are subject to disorder and breakage, nor on human agency which is prone to err; also because the pressure is steady and not pulsating, which means less wear and tear on the pipe system; and further, because with a gravity supply it is impossible to increase pressure on mains beyond a safe point. Furthermore, a gravity supply is more flexible than direct pressure, that is, it is not limited to a specified number of gallons per minute.

In many situations it is not possible to secure a gravity supply, because of there being no suitable stream or natural elevation of sufficient height for a reservoir site. A standpipe or tank may be used, but this is necessarily limited in capacity and pressure and is suitable only for very small towns with low buildings, or for private protection. In such situations a direct pressure system must of necessity be used.

The quantity of water necessary and the pressure to be maintained at the hydrants for standard protection is the same, whether a gravity or direct pressure system be used.

The curve on sheet No. 1 gives the fire demand for standard protection for towns of from 1,000 to 70,000 population, the quantities being those recommended by the Fire Underwriters' Uniformity Association. On the same sheet is given a curve showing the domestic quantity based on an estimate of 100 gallons per capita per day.

It may be well to state for the information of those who are not accustomed to curves as a means of representing data of this kind, that curves are much more expressive than tables, in that they show at a glance relationships, such as that between domestic and fire demand in the present instance, the discovery of which would require careful perusal and study of tables and might easily be overlooked.

The determining factors in an estimate of the quantity of water demanded for fire service are: Size of buildings, nature of construction, character and quantity of combustible contents and relative location of buildings with reference to each other, all of which taken together make up the potential hazard. This should be considered in conjunction with other features of protection, such as watch service, fire alarm, fire department and apparatus, all of which have a vital bearing on the situation as affecting the time elapsing between the origin of a fire and getting hose streams into play, as well as the efficiency with which the protection is used.

The hydrant pressure necessary for standard protection will vary for different conditions, depending on the height of buildings to be protected, the length of hose line necessary, which latter is determined by the hydrant spacing and on winds.

Curve sheet No. 2 shows the distances that hose streams will be effective for different pressures at the base of the play pipe, it being assumed that a moderate wind is blowing. It is advisable to add about 25 per cent to the height of buildings to provide for greater wind velocities.

After having ascertained the pressure necessary at base of play pipe to discharge a stream the required distance, the hydrant pressure necessary may be determined by adding to this pressure the friction loss through the necessary length of hose with 250 gallons per minute flowing, this being a standard fire stream.

Curve sheet No. 3 shows the friction loss in 50 feet or one length of average cotton rubber-lined fire hose for different quantities of flow.

The loss through any other length may be obtained by multiplying the loss in 50 feet by the number of 50-foot lengths in the line.

SUPPLY MAINS.

There is little to be said on this subject, except that mains should be of ample size, which must be determined by their length and the quantity of water to be delivered. They should also be in duplicate and traverse routes widely enough separated that the breaking of one would not be likely to disturb the other.

DISTRIBUTING SYSTEM.

The function of the distributing system is as the name implies, to distribute the water to all parts of the town and supply hydrants at various points.

It is not practicable to outline any general scheme for a distribution system that would be applicable to all cases, owing to the diversity of

conditions that are met with. Each individual case demands special consideration. A few general rules may be stated, however, which should be followed whatever the conditions.

The gridiron scheme should be employed, i. e., pipes should be joined at all intersections and a gate valve installed on each of the four branches of the intersection. This will permit of any length of pipe between intersections being cut out for making service connections and repairs, or in case of break, by the closing of two valves. If these intersections are sufficiently close together, say not over 300 feet apart, only a small part of the system will need to be out of service at any one time.

The system should be so designed as to permit of future extension and furnish additional supply to new or growing districts without impairing the efficiency of other portions of the system. This may be accomplished by the proper arrangement of large primary arteries with smaller secondary feeders.

The question of properly gateing the system is of great importance. In a city in this state of 30,000 population, an investigation showed that a break in one of the large mains in the congested district would necessitate the closing of twenty-two gate valves before the system could be put back in service by which time a fire would undoubtedly have gotten beyond control. This means that the safety of the entire city was jeopardized by dependence on this one water main.

The points to be considered in connection with hydrants are: Spacing of hydrants should be not greater than 150 feet in congested valve districts, or 300 feet in residence districts. There is no economy in placing hydrants far apart as more hose is required, the initial outlay for which will more than equal, in most cases, the cost of the additional hydrants necessary for standard spacing. Furthermore, the life of hose is short as compared with that of hydrants. Added to this are the objections to long lines of hose in the time required to lay them, the increased liability of burst hose, and the loss of pressure sustained by friction. Referring again to the question of initial cost, consider the two cases of hydrants spaced 150 and 300 feet apart. The difference in the quantity of hose necessary to concentrate four streams at a point half way between the hydrants for the two cases is 300 feet. At $1 a foot this means an outlay of $300 for the additional hose required for the same service, while a six-inch double hydrant installed costs in the neighborhood of $50.

So much for the technical side of the subject.

It will not be out of place here to give expression to a few general ideas which are pertinent to the discussion.

In the matter of fire protection it is necessary to provide against the most adverse conditions that are likely to arise. If only average conditions be taken as a basis of estimating the character of protection necessary, the ever present conflagration menace may at any time be transformed into a reality that will render valueless the money and effort expended for the so-called protection.

Prospective investors in fire protection usually, and rightly so, wish to know what they may expect in return for money spent on fire protection in the way of reduced insurance rates. It is not reasonable to expect the entire burden of cost to be borne by the insurance premium. A part of the money spent should be charged against protection. Statistics show that only about 50 per cent of value destructible by fire is covered by insurance. On this basis it is not fair to expect more than 50 per cent of the interest and payments on bonds to be met by reduction in premiums. Taking into account the further consideration that loss of business is often of greater consequence than the tangible property loss, the proportion of expense rightfully chargeable against insurance cost is still further reduced.

Boards of underwriters do not, however, limit themselves to this consideration in granting reductions for improvement in fire protection, such reduction being based entirely on the decrease in physical hazard in accordance with a uniform schedule. These boards pursue a very liberal policy in this matter and encourage, by substantial recognition, any real improvement of conditions.

As a final thought, the problem of reducing our enormous annual fire waste, amounting to $250,000,000 for an average year, demands the most thoughful attention of the fire insurance fraternity. If left to an apathetic public, not associated by common interests, the solution of the problem will be long deferred. The effort must be organized.

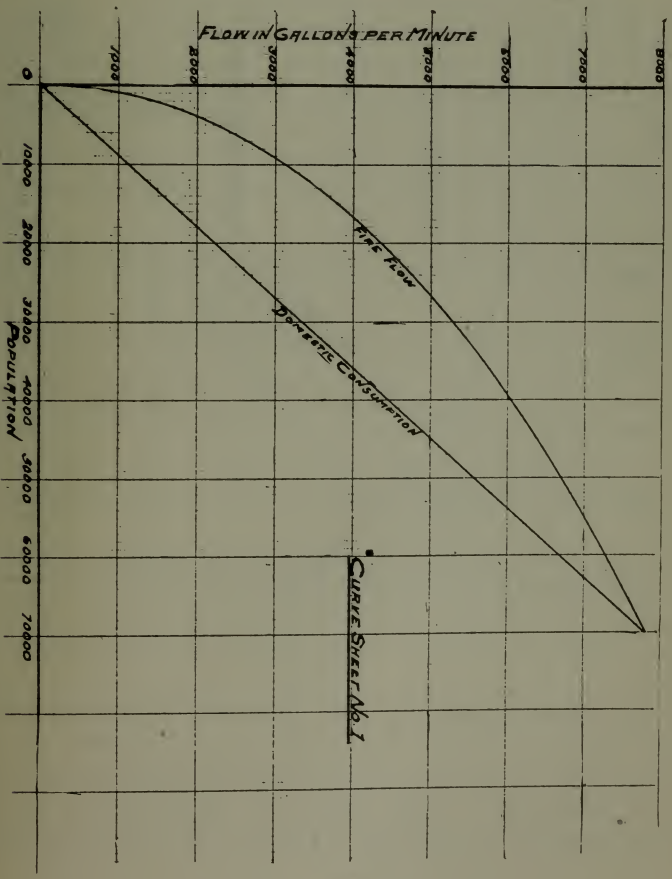
In so much as the insurance interests represent the most prominent o those organizations closely identified with this problem, it follows that a large part of the responsibility rests on their shoulders.

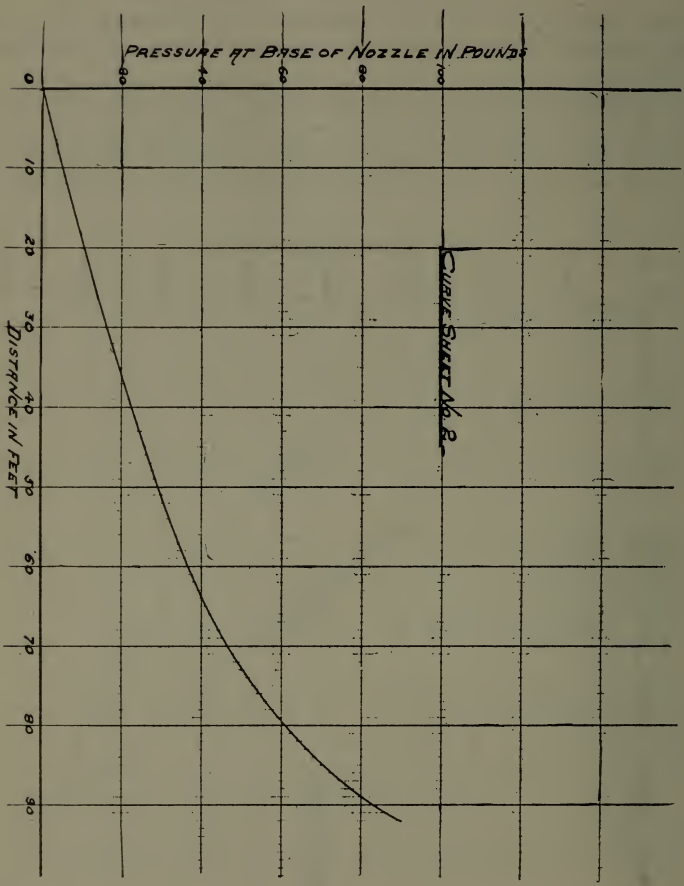
Much creditable work has been done in the organization and maintenance of such institutions as the National Board of Fire Underwriters and the Underwriters' Laboratories whose efforts are along educational lines.

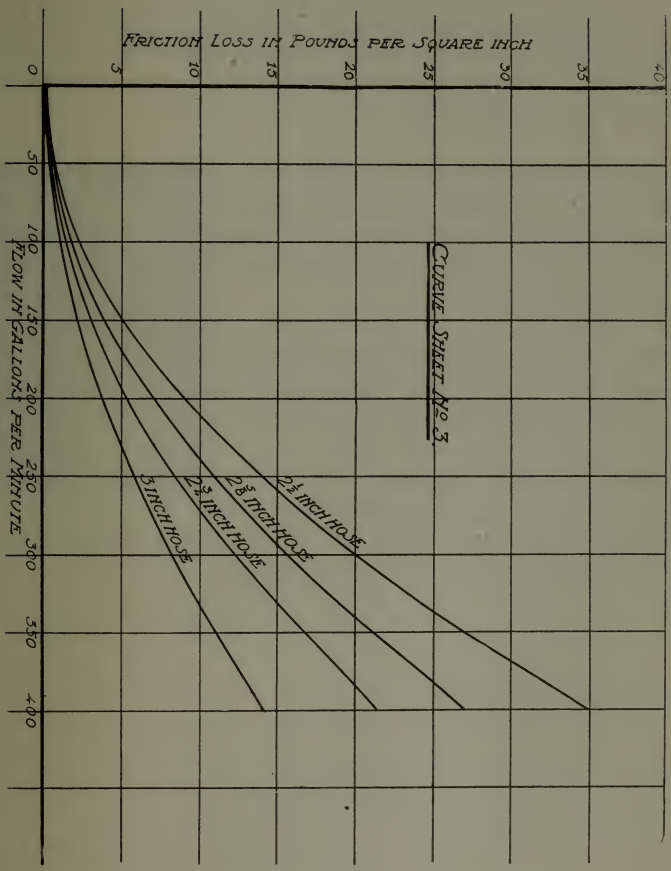
The work of these organizations should be supplemented by that of bureaus in the large commercial or industrial centres, employing the best technical talent available. These bureaus, co-operating with the national organizations, are of great assistance in disseminating information and in bringing these institutions and the public into close touch.

Such technical bureaus are maintained in connection with rating boards in some districts, which has proven to be a very satisfactory arrangement.

In conclusion I desire to suggest a closer relationship between the public and those organizations that are actually engaged in the work of preventing loss of life and property by fire, by promoting the science and improving the methods of fire prevention and protection. (Applause.)




PRESSURE AT BASE OF NOZZLE IN POUNDS
0
10
20
30
40
50
60
70
80
90
DISTANCE IN FEET
CURVE SHEET No. 2.



The President—This paper will be a great benefit and be frequently referred to by the men in the underwriting world, and I thank the gentleman for the skill and patience which he has exhibited in handling it. The special agent is frequently out in the field and asked how fires begin, and how to put them out and

so on; he has no excuse now to say that he does not know. We are obliged to Mr. Mathews for explaining how to construct water works. I would like to ask Mr. Roberts to say a few words upon the subject if he will.

Mr. Roberts—I read the paper over, Mr. President, and I think it is a very valuable and good paper, and as I have before suggested, I think a good many ideas can be gotten out of it as to laying out water supplies for mills and large factories, or for cities and small towns.

Mr. President—Mr. Mathews has written this paper for us, although he is not as yet a member of this Association. He has now an opportunity to come into the Association.

The President—Next in order is a very short paper by Edward E. Potter, written just before he left for the South Seas and India, and it is a subject for reflection and thought. I will ask Mr. John W. Gunn to read the paper.

CONTINGENT PROFIT TO LOCAL AGENTS.

Edward E. Potter.

General Agent Glens Falls, San Francisco.



Having but a limited time at my disposal, as I am about leaving for the tropics for the winter, I regret that I have not the time to give more deliberation on the subject "Contingent Profits to Local Agents."

Forty years ago I would have responded with great alacrity to your request for a little contribution to the annual session, feeling then that I was fully competent to educate the whole insurance fraternity from the writing of a daily report to the adjustment and payment of the loss. At the present time I feel that I know very little. Perhaps before another forty years roll around, I will be able to tell you at least all about fires; for safety I shall take with me a couple of asbestos suits.

If I remember correctly, many years ago Mr. Geo. T. Hope, of the Continental Insurance Company, advocated the payment of contingent commissions to all agents. At that time I made some figures which convinced me that it was not feasible to general agents working on commission and a contingent. In the first place, in small agencies where a loss would more than eat up the agent's annual premium, there was very little inducement for him to switch his business to the company that was paying him a flat commission of twenty per cent, instead of fifteen and ten per cent contingent, and this could be avoided only when he was working for all his companies on the same terms. This would not prevent switching to a company with no losses, consequently all the companies would have to pool the agents' losses with agreement of agent not to switch. I also found that with say one hundred agents, I might lose enough with twenty-five of them to swell my loss ratio so that I would make no contingent for myself and yet have to pay a contingent to the seventy-five agents having no losses, thereby giving me a double loss, i. e., defeating my contingent and increasing my expense ratio and decrease my premiums from switching agents. We might quote an extreme case, say with one hundred agents and $100,000 premiums with a Long Beach conflagration loss of $60,000.

This would leave the general agent no contingent and yet he would have to pay contingent to all of his agents having no losses.

AN ILLUSTRATION.

Flat Basis—

100 agents average 1,000 premiums each, $100,000 at 15 and 20 per cent commisson, average 17½ per cent commission.

Flat and Contingent—

100 agents average 1,000 premiums each, $100,000 of these.

25	"	"	1,000	"	"	$ 25,000	com. 15 per cent,	$ 3,750.
75	"	"	1,000	"	"	$ 75,000	" 15 per cent,	11,250.
75	"	"	1,000	"	"	$ 75,000.		

Less 15 per cent commission, $11,250, net for contingent, $63,750 commission 10 per cent, $6,375.

Aggregate commission $21,375 or 21.375-1000 per cent commission.

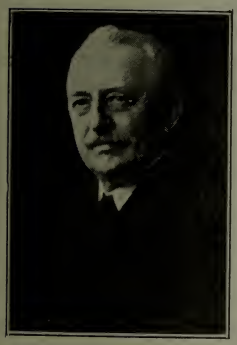
These figures speak for themselves.

The President—The next paper is one on the subject of "Fire Protection," by Mr. J. H. Morrow, special agent of the Commercial Union Assurance Company. As he is not here to read the paper I will ask Mr. Richards to do so.

FIRE PROTECTION.

J. H. Morrow.

Special Agent Commercial Union, San Francisco.



This paper will be found devoid of technicalities. Its intent is not so much to instruct as to stimulate. If it be found to border on sermonizing let those to whom it is addressed, my fellow special agents, "Hear me for my cause;" for my cause is their cause.

Fire waste, how apt it is for us who are in the insurance business to regard it from a business standpoint. A premium income dissipated by fire losses, especially avoidable fire losses, is a serious thing, and prudence rather than selfishness is possibly the term which should be used in characterizing our attitude toward this constant menace to legitimate business profit.

It is seldom, however, that the insurance loss is the true exponent of the property loss. There are uncovered values and a train of misfortune entering into the aftermath of fires for which an insurance policy can furnish no alleviation.

Now we, as special agents, are charged with a double duty, double in the sense that the interest we would conserve belong both to the public and to the insurance companies. In fact this is a case wherein we can serve two masters without conflict. If, by our efforts, the fire loss can be curtailed the benefit extends in both directions.

To enjoy the privilege of discharging this double benefit, to seize the opportunity and turn it to advantage is a great thing. Nations plunge into war over matters often trivial in comparison with the annual waste by fire in the United States alone, and men go forth to battle snatching at the glory of dying upon a "bed of honor" for their country's sake. But for us who are called to engage in this campaign of stopping the waste of conflagration, if there is no glory of the martial kind, there is at least a satisfaction in realizing that we have used our scientific and business training for the general good.

It is a fine thing for a special agent to be an income producer, but to be an income producer without being an income conservor is to fail in fulfillment of the true measure of success.

Intelligent inspections are essential, and it is right here that the public's interest in this question of waste is apparent. The inspector should become the advisor. He should not merely seek by criticism to reduce to a minimum the hazard incident to the occupancy of the individual risk, but should recommend along broad and judicious lines ways of betterment in construction and advanced methods of protection. Tactfully, he should extend his observations and his advice to surrounding property, since it is the fire fiend outside the gates, as well as the fire fiend inside the gates, who must be reckoned with.

Then, there is the opportunity to bring our knowledge and our advice to bear upon the public direct, upon the municipality and upon its officials, such as the mayor, superintendent of buildings and chief of fire department. To do these things the special agent must have equipped himself by study and experience. He must know what he is talking about, what he is advocating or else he may expose himself to the ridicule which a hard-headed New England farmer once indulged in at the expense of a city clergyman to whom he had listened the previous Sunday. "That preacher," he said, "was great in the way he used words, but say, when he talked about them *gentle* sheep he was all off. Why I'd give him a dollar to cross my ten-acre lot when my old ram was there and get his coat tails safe to the rail fence."

Without flattery I can say that the technical equipment of even the youngest among us is so far advanced that once this campaign for education and betterment is entered upon, every man can be counted upon to accomplish desired results.

Study and experience will increase our influence. If the man from Missouri wants to be shown, show him, but don't wait until he asks. In doing this work it is proper that we carry with us a professional dignity. Each represents his company; in this work of education he, however, represents all companies, with the burden of responsibility of the greatest moment. (Applause.)

The President—I will now call for the report of the committee on the President's address, and on the report of the Secretary-Treasurer, of the Librarian and of the Executive Committee. Mr. Williams is the chairman of the committee and I will ask him to read the report.

Mr. Williams—The report reads as follows, Mr. President·

Report of Committee on President's Address and Treasurer and Librarian's Reports, and Report of Executive Committee.

Your Committee, to whom was referred the address of the President, and the reports of the Executive Committee, Treasurer and Librarian beg to make the following report:

The amendment of the by-laws regarding membership as suggested by the President has been attended to, and we agree that every effort should be made to have those join who are now eligible to membership.

We highly recommend the adoption of his suggestion to make the Library of more use to our members by having it open from 10 A. M. until 4 P. M. each day except Saturdays, when the hours shall be 10 A. M. till 3 P. M., and that members be allowed to take books from the Library. We also concur that a Library Sub-Committee of three should be appointed by the Executive Committee and this committee to have full charge of the Library; to formulate rules for its guidance and to have power to solicit funds for the increase and maintenance of the Library; also that members of the Insurance Society of San Francisco be allowed the use of the Library upon payment of annual dues to be mutually agreed upon between our Executive Committee and the Insurance Society.

We strongly urge the members to take more interest in the Insurance Society of San Francisco and in this institute's work as suggested by the President, and that a committee of three be appointed to confer with the Executive Committee of the Insurance Society that the two institutions may be brought in closer touch and harmony with each other to the benefit of both.

We heartily concur in the views of the President in reference to the Underwriters' Congress of 1915, and urge that a committee of three be appointed by the incoming President who shall have full power to formulate such plans as are necessary and proper for the rightful representation.

It is gratifying to know that the balance as shown by the Treasurer's report is much larger than heretofore and that the annual deficit of the Dinner Committee decreases each year.

The Librarian again suggests the incorporation of the Library and we strongly urge that the incoming Executive Committee give this matter prompt consideration. We are not prepared to recommend that the Library be incorporated, but we do suggest that it be placed on a more permanent footing.

Your committee feel that President Mayer is to be congratulated upon the excellent quality of the papers secured by him for this meeting and that

he is to be commended for the careful and efficient manner in which the affairs of the Association have been attended to during his term of office.

T. H. Williams,
F. B. Kellam,
Herbert Folger,
A. W. Thornton.

(Applause.)

Mr. Gunn—There is one thing in the report of the committee which I thought at the time was a recommendation that should be discussed. I would like, anyway, to call it to mind. I would be glad to have the books in the library loaned out under certain safeguards, but I would not like to have loaned out a book that would break the series, say, of the reports of our own Association, or the reports of the Association of Great Britain, or of the Association of the Northwest and such like, because if we lose one of those volumes we have practically ruined our series of reports, and I do not believe that books of that kind should be loaned out of the library. Take, for instance, the report of the Proceedings of this Association. I am told there are only four complete sets in existence. The library itself has not a complete set, I happen to have one, had it in Seattle when the great fire occurred, and I believe Mr. Fuller has one and there are two others somewhere. Since those are the only reports in existence of our Association I think we should be very careful of them. My own books I have loaned out sometimes. I have loaned a volume once or twice to certain gentlemen here in town that now I say "no" to whenever they ask for them. I am willing they should sit down in my office a week and read a paper, but I do not believe those volumes which would break a series should be let out of the library.

Mr. Sexton—I should object to loaning any book from the library of any kind or class. If a man wants to examine a book let him go to the library and examine it. We hope to keep our

present Librarian, and we will increase his salary in proportion to the hours, and he can tell anybody who wants a certain thing where to find it because it is well indexed. A man who wants a book from the library should spend all the time he needs in the library itself. We cannot have a circulating library, because we cannot afford to have more than one book of a kind. There is no reason why anybody should want to take a book from that library. I repeat, that if a man wants to read or hunt up anything he can go and stay there an hour or two and read it, and if he wants to study up any particular work that is there let him buy a copy somewhere. It does not cost a great deal.

The Secretary—Mr. Sexton's point about loaning books I think is very good. It is not wise to let books go out of the library, since we might in that way lose valuable books that we cannot duplicate. I do not believe in loaning books.

The President—I will ask Mr. Williams to take the chair.

Vice-President Williams in the chair.

Mr. Mayer—I believe there is a different way of looking at this, Mr. Chairman. I must freely admit that I would know very little about the fire insurance business if I would have to visit the library and do my reading there during business hours. My study has been done by burning the oil of the midnight lamp. It has been done principally on the road, in my hours waiting for trains and so on. I have no time to read from 10 o'clock in the morning to 4 o'clock in the afternoon; my time is taken up by my company's work and for my company. There may be reasons why some of the books should not go out, but because there is a set of books of thirteen or fourteen volumes that should not go out (because they cannot be duplicated), I do not think we ought to say no books should go out. As to those particular books we should not let them go out; they are valuable. But there are articles in some of those books that it takes hours to read and

study, and how can you get the information otherwise than by taking the books out of the library? You are all in a hurry for your noon lunch between the hours of 12 and 2, as the hours are now, and how are you going to do your work? If the library is to be of any value let the books go out, even if one is lost. If a book is stolen, then it is a poor sort of a library that has to be so guarded. No book will be stolen if you will let the books go out. I am in favor of the library if it is to be of any good, and a library from where you will let the members have the books. If there are a few volumes that you cannot duplicate, those should not be loaned. Otherwise, I say, let the members have the books.

President Mayer resumed the chair.

The Secretary—Mr. President, I would like to have your Librarian make a few remarks on that subject.

The President—Mr. Moore will you kindly address the meeting.

Mr. Moore—In regard to the use of books in the library, it is only safe to follow the course that is pursued by the public libraries; by the Insurance Library Association of Boston; by our San Francisco public library, and by the public library of Oakland. Certain classes of books in all those libraries, known as reference books, must be set aside and under no consideration allowed out. It is safe to say that in our own San Francisco public library and in the library in Oakland ten per cent or perhaps twenty per cent of the library is reference—I do not know but more than that—and you cannot get a book out under any consideration from the reference department of the library. As to the balance, if you propose to allow the books to be taken out it is absolute folly for the library to start with one copy. My own experience here in your library shows that. If you commence the work of loaning, then commence the work at once of duplicating your volumes and triplicating them, and perhaps

carrying it still further than that. But you must have at least a triplicate of your volumes if you propose to loan them out. You must keep your Proceedings and valuable works intact. Let me illustrate my meaning. Through kindness of Mr. Rolla V. Watt we received a donation from him of a complete set of the Coast Review. It is the only set to be found anywhere. A gentleman in St. Louis, having a lawsuit for a large amount, found it necessary to get certain information from one of the early copies of the Coast Review. He could not find a set of the books either in Washington, New York, Boston or Chicago. He decided to come to this city and on visiting the office of the Coast Review was told that our library had the only set. He offered to put up a bond for a thousand dollars if we would loan him one of the volumes, but was told that he could not have it at any figure. I said, "You couldn't have it if you put up a bond for $5,000. If you want what is here you can bring your stenographer here and get it; otherwise you can't have it." He said, "It involves a question of $50,000 and therefore it is worth our while." However, he got what he wished for. I merely say that such a set as that should never, under any considerations, be allowed to go out; not a volume of it. It would be beyond all possibility to ever have them replaced and they are invaluable. So I say, follow the course adopted by all the libraries of the country: triplicate your books, if you have among them books that you want to have go out; make a set of books known as reference books, to be kept in the library and kept under proper lock and key, and only to be given out by the Librarian, and then only for the purposes of consultation in the library. If you, like myself, were to drop into any of the foreign libraries, as I have done in London and in Paris and in Berlin, you will find a room devoted for study, you know the book that you want, it is brought to you by the librarian with your card, and you have to leave that book on the table whenever you

depart. That course can be pursued here with your reference books. With your books for distribution, duplicate and triplicate them.

The President—I do not care how you do it so long as you let books go out. If you want duplicate or triplicate sets it is all right. But I want to have the library so that if a man is busy all day he can take the book home and read it. There are some situations, I admit, where books ought not to go out of the library. But, as a rule, those books which can be duplicated should be duplicated—at least they should go out. I hope the income we have now will get the library in such shape that it can be done.

Mr. Williams—Mr. President, I do not believe that the committee which made this report desired to recommend that every book in the library be loaned. We want to do everything within our power to assist the Insurance Institute and the Insurance Society of San Francisco to pursue their studies in a manner which will give them the best service. Those books in the library which can be easily duplicated are the ones that we have reference to in our report. I do not believe that the incoming officers will appoint a library committee which will not be capable of handling those subjects as they come up. It is suggested that they formulate plans for the operation of the library, and I am satisfied that rules and regulations will be made that only a certain number of the books may be taken out, and only such books as can be duplicated in a very short time. It was simply to assist the Insurance Institute and the Insurance Society of San Francisco that this suggestion was made.

The President—Any further discussion on the report of the committee? Are there any other reports, Mr. Secretary?

The Secretary—This committee's report wants to be either approved or disapproved, Mr. Chairman.

The President—I would like to hear a motion that the report of the committee on the President's address, Secretary-Treasurer and Librarian's report be accepted.

Mr. Sexton—I move that the report be accepted.

Mr. Folger—I second the motion.

The motion was put and prevailed unanimously.

The President—The report is accepted. Next in order is unfinished business. Is there any unfinished business, Mr. Secretary?

The Secretary—Nothing more, Mr. President.

The President—Any new business? If not, we will go to the election of officers.

Mr. Folger—Mr. President, the committee on nomination of officers is prepared to make its report if you are ready.

The President—Yes, it is in order now.

Mr. Folger—It is as follows:

In conformity with resolution passed at the Thirty-second Annual Meeting, President F. J. Alex. Mayer selected the Nominating Committee, of which I was chairman, and said committee presents to you the following names for officers and committees for the ensuing year, viz:

President, Thos. H. Williams,

Vice-President, R. C. Medcraft,

Secretary and Treasurer, Calvert Meade,

Librarian and Assistant Secretary, J. P. Moore.

Executive Committee: W. H. Gibbons, William Sexton, J. L. Fuller.

Mr. Folger—Mr. President, I move that the report be adopted and that we proceed to the election of officers.

The motion prevailed unanimously.

The President—You have heard the nomination of Mr. Thos. H. Williams for President. Are there any further nominations?

Mr. Gunn—I move, Mr. President, if it is not out of order that the Secretary cast the ballot of the Association for the "slate," and thus save time.

The motion was seconded and prevailed unanimously.

The President—The Secretary is instructed to cast the ballot.

The Secretary—The ballot is so cast, Mr. President.

The President—It gives me great pleasure to announce the election of Mr. T. H. Williams for President. He is a most worthy and strong man, and I have great faith that the Association will profit greatly by his election. (Applause.)

Mr. Williams—Mr. President and fellow members: I certainly appreciate most fully my election to the presidency of this Association. I will not take up the time of the Association by making a long address now, because I will have time during the year for that purpose. I want to say, however, that every effort within my power to further the interests of this Association and to improve it, if possible, will be made. I thank you for your kindness in electing me.

Mr. Folger—Mr. President. I have the honor to be a member of a group of men known as Past Presidents of this Association, and unfortunately, the Constitution requires that five of us shall act as a nominating committee from time to time. We are not bound by any wording of the Constitution in the selecting of candidates, but, as most of you know, there is an unwritten rule, that we shall select for Vice-President, one who has written at least two papers to be read before the Association. This is not because these gentlemen have literary capacity, but, more properly, because only those who have done work themselves

are likely to be able to get together a program to be written by others. In behalf of my associates, Mr. President, I thank you for the evident hard work done to secure one of the best programs we have had, not only in quantity, but in quality. We have been especially pleased to note that there are at least a half dozen men, all field men, who have written papers for the first time, and we have a strong feeling that some of these will be eligible for advancement hereafter. We had an uncomfortable feeling when we discovered that there were only two or three among the three hundred members of the Association who have written two papers, and who are still in the service. We hope that you have started a move in the right direction. (Applause.)

The President—The next election which we have to make is for our Vice-President, and when I recommend to you the strong man that has been elected President, I can state that the selection by the nominating committee for Vice-President is just as good, and I am glad to introduce to you, Mr. Medcraft. (Applause.)

Mr. Medcraft—Gentlemen, I am very much obliged to you for the reception of my name. I will do my best to fulfill the duties of the office, I assure you.

The President—The next business in order is the reading of the Knapsack. We have done pretty good work for the last two days, and, while I believe in hard work, I believe it is no more than the part of wisdom to also pay a little attention to amusement and entertainment. I will ask Mr. Heuer now to start the ball rolling for the entertainment.

California Knapsack.

1913

A C. THORNTON,
G. A. R. HEUER, } - - - - - - - - EDITORS

VOL. XXXVII JANUARY 14, 1913 NO. ONE

The editors of the Knapsack have changed their minds. We will stick with the job. We have attempted to resign for the past two or three years, but the more we resign the further we seem to be from the goal of our desires. Our object in resigning was due to the fact that we could no longer see anything funny in the business. We have just had a chat with the Mayor and we have now concluded that the insurance business has humorous aspects.

The future seems full of possibilities. Special legislative committees may be appointed to examine minutely into our methods of living. It behooves us to live carefully during the coming year. At any time the brand of our cigars may be questioned and a demand made that the difference between the price of an "Owl" and a Clear Havana be returned to the assured less, of course, the 20 per cent deduction to cover expenses of investigation.

After carefully informing all in the office that we are "going up to the Adjustment Bureau to see about a loss," we may start out for some neighboring thirst parlor, seeking light refreshment, only to find ourselves rudely seized and thrust into jail because of a chance meeting with one of our business conferees and an inadvertent discussion of a rate.

Truly life will be worth living and our inventive genius will be taxed. No longer may we refuse to have the name of our best

agent placed in gold letters on his window "because Board Rules won't permit it." Oh! no, we will have to be cleverer than that.

No longer will the special agent rank with the magazine solicitor. He will become an important factor in the business, daily making rates on all classes of risks, only to find that upon repetition he unconsciously raises or lowers said rates in the same proportion that a torpid liver bears to a hard night with only four hours sleep.

But out of it all the editors of the Knapsack find a consoling thought, for they, after a number of years may meet as usual, jointly write their paper, and when the wear and tear on their mental machinery has abated, sit, surrounded by the smoke of their cigars and discuss agency matters without sarcasm regarding board or non-board, and at least discuss the price of wheat, furniture and other commodities, without fear of being hustled to the lock-up.

(Actual copy of letter)

San Jose Cal. Oct 2 1912

Mr. Western Underwriters & Co.
San Francisco.
Sirs:

The act that of a fire that by actident that happened at 2738 Eli Pingel home and was reported by Minnie Plunkett wife of Axel Plunkett caused by a match struck by their 6 year of boy Otto and was put out by Minnie Plunkett by use of water hose.

Kind sirs, you inspector came last Saturday and inspected the damage the lost was 1 loung 10$ memoral picture 3.50$ 2 loung pillows comple burned 1$ 50c 1 table cover 2.50$ 1 pair shade 1.00$ lace curtain 4.00$ matten I had just put down 8.40$ near half of my paper on walls top and sides.

A folden bed 70.$ damage cant open one door with out fore the back wood pulled aloose can scarsely pull it down by force must have it repaired the matten is damaged by fire fallin & soot & watter I think what you a acess my lost was very litter I can not place it with so small a mount as 25.50 and it is not doin justice to me you company and agent I have praised your compnay to other and have cause other to join you & still

25.50 will not be half value but if you think it right to do so it is in you power.

I suffered in the blaze of all the fire over head and around me I am still nerveous from it a chair of clothes belonin to Petersen and smoke & put out the fire I have never been myself since.

4 top shirt belon to Petersen (new) 1 pair slip 1 pair pants 1 vesque all burning at one time top on burou with several skirts and stokins from smoke & fire. Resp.

Annie Pingel.

(We are happy to be able to state that this loss was later adjusted to the assured's entire satisfaction.—Eds.)

To James L. Blank
Gen. Agt. fire insurance co.
San Francisco.

Dear sir, please:

I now here in Lassen county bout 3 miles east of Horse Lake in my ten acres of land just a few mounth ago I build one barn and one house this last is now in construction. I want insured right now before finished house and barn for $1500 and distinguished like that $750 for the house and $750 for the barn, hay, straw, horses, waggon and all agricoturale tools, the barn is big enough to keep all that. My house is already insured from you for the second time policy is myne. now I want this my other property insured bout not at the price of the dangerous San Francisco, here have never dangers for fire than those they send by God, give me instruction by letters or by agent I wait from you and respectfully.

Your
G. Blatzheimer.

Application for agency of Company at Jerry, Oklahoma.
World Insurance Co.
San Francisco.

Dear Agent: I Came up an one of your poliCy Halders and in Taulking he brought ins. Work and he spake of your company the best and told me if I could get To work fore you all that I wood eaver thing that it said it wood so he told me that youall had agent out to work so I will reply to you for agenCy as you had none in this City. I nowe I can doe great Work for the Co. if you will only put me as sub agent and hope to here frome you at once yours Truly J. W. Jimson.
if require reference or bound i furnish it.

A manager of a prominent insurance company in San Francisco engaged as clerk a bright educated Japanese boy. A certain firm owed the company a heavy bill for premiums which was long overdue, and which the Manager had exhausted every means in his power to collect without cancellation for non-payment. He was surprised one morning to find in his mail a check in full payment of the account. Upon inquiry he learned that his Japanese clerk, who had been instructed to mail dunning letters to all delinquents, had written the following letter which had brought the desired result.

Messrs. Smith & Jones
San Francisco.
Gentlemen:

The past due statement of your account has caused much worryment of our honorable Company. Such delinquent affairs of much importance to mercantile interests calls for unheard of action by our authorities.

We beg to notify you now, Sirs, that if this account is not paid immediately by return post office, we shall take steps which will cause you the utmost astonishment.

Yours respectively
White & Green,
per Hashima.

Copy of letter to Company re automobile repairs:

Smith & Co., San Francisco.

Gentlemen: We enclose herewith bill of expense in connection with repairing of automobile belonging to the Jimson Hardware Company, which was stolen as per their request.

Yours truly,
The Auto Repair Co.

Jasper Station, Cal. June 10, 1912.

Manager, Congo Fire Insurance Co.
San Francisco.

The country is gonne of dry for 3 day everytink gone to hel we have 107-109 at the height in the grain is all rady dry up. If you wante come any time you wante wire soon.

Yours truly
P. Bohlheisen,
Agent.

Some years ago, a green Teuton just over from the Fatherland obtained a position as general roustabout in a San Francisco insurance office. About ten oclock in the morning the Cashier threw an envelope on his desk with the remark "Take that to Bradstreets." At three P. M. the German showed up looking tired and disgusted, and in answer to the query as to where he had been all day, replied: "I can find Baker Street, und Turk Street, und Green Street, und Yones Street, und Pine Street, but I cant find dot Brad Street."

Copy of a pencil note left on Manager's desk by a young lady stenographer who had been detailed to make up rather complicated proofs of loss—

"Mr. Robinson:

Kindly come out in back office; I am mixed near the end.

Pansy Pearline."

Loss claimant in conversation with adjuster said:

"Our house was very finely furnished. Our furniture was expensive, carpets the best we could buy, bric-brac all over the place—just to give you an idea, in each bed-room we had a box of those things to fix your nails with—you know, regular EPICURE sets."

During adjustment of a recent household furniture loss, assured made claim for total loss on four tooth-brushes, two brushes at 50 cents each, and two at 25 cents each, and the following conversation took place:

Adjuster—"How long did you have these tooth-brushes?"

Assured—"I had the 25c brushes six months, and the 50c ones two years."

Adjuster—"Why, I buy 50c brushes and they last me only two months."

Assured—"Yes, but you use yours every day."

Letter sent to an accident and health insurance company:

Gentlemen:

On behalf of my patient, I beg to submit a claim for accident and health indemnity.

Six weeks ago the assured, James Blank, while walking along the street reading his newly acquired policy in your company, fell down a man-

hole and broke his left leg. He was confined to his bed, and for lack of something else to do attempted to amuse himself by a further perusal of the conditions of your valued contract. His attempt to understand the same was such a strain upon his mentality, that he was stricken with an attack of brain fever. He is now convalescent, and as his medical representative I hereby demand of your company two weeks accident indemnity, and four weeks sick benefits besides doctors and nurses fees.

Yours very truly,
I Killem, M. D.

The adjuster asked the assured to clean up premises, and put the stock in best possible order after a fire, and Abe replied: "Vy so? Just to make 'em look good?"

Letter from a Swedish Farmer to Life Insurance Company:
Gottburg Life Insurance Co.
San Francisco.
Dear Sir:

Ay received your circular vich says you vill insure my vife's life for tree tousand dolars at a cheap rate. Dat insurance iss a dam schvindle.

Last year I insure my barn for von tousand dollars, fire insurance, and when it burn oop adjuster says barn iss vorth only fife hundred and seexty dolars, and I skall tak dat mooch or he build me another barn vot he says iss twice as good as old barn.

Ay tank if Ay lose vife company reserve right to furnish new woman for me for fifteen hundred dolars twice as good as Lena. I am too smart for dam bunko game like dat.

Yours respectful
Nels Nelsen.

I represent the Pacific Adjustment Bureau, said an alert looking young man to the old German who had just suffered a fire loss.

"Bureau! Bureau!" said the German. "Already yet I first got to settle vid my Insurance Companies before I am buying Furniture."

Copy of letter from our Japanese janitor to pretty stenographer:
Oakland, Cal.

Dear Yoong: It is fear and trembling that I take my pen and paper to write a letter which shall convey to you exactly how I feel toward above.

My darling cause your eager walk across your resident and looked upon you and the heart is bust. Feel about you at home why am take ink and paper to write these few worry line to you.

Darling do you realize? Don't love me like I love you. Best is as life without you on starving desert plain without refreshments. Beautiful lady have no afraid for utterance to disconcern you without which everything is impossible, please. Your obt.

Frank.

Hiram Jenkins Esq..
Cooptown, Wash.
Dear Sir:

Unpaid Delinquent Premium Policy 3535, Johnson, $25.00.

We cannot find that we have received your remittance in payment of the above premium. As this policy was issued October 30th, we beg to inquire if its collection and remittance has escaped your attention.

Yours truly, Manager.

Gentlemen:

Yesterday was a "humdinger" in the way of knock out blows for your Cooptown agent. Oregon wheeled into the Roosevelt line, Lafferty nominated for Congress, and the Company finds an unpaid premium several months old chalked up against yours truly. Wish I could remedy the first two afflictions with the same cheerfulness that I do the last, altho I have rustled hard to find some evidence that I had remitted the amount found due. Hav'nt been able to do so however, so here you are. I am consoling myself, so far as possible, over the score of 7 to 4 in favor of the Portland team over the "Seals," in the base ball game yesterday. It was the only ray of light the day brought forth. Yours, despondingly,

Jenkins.

Vanc Apr. 20, '12.

The Liberal Large & Good Insurance Company issued a small book of instructions to their agents, in which inter alia the advice of losses is referred to in the following terms:

In all cases of loss demanding immediate attention you will please notify us by telegram (form on next page), giving number of policy, name of insured, date of fire and also state your estimate of the probable amount of loss . . . . . .

The form of telegram referred to reads:

Three sixteen five ninety one Smith fifteenth total. Other companies interested are . . . . . .

The following telegram is a result:

Eldorado, Nev., June 1, 1912.

Liberal Large & Good Insurance Co., San Francisco, Cal.

Policy 412768–412764–410323 three sixteen five ninety one Smith fifteenth almost total W. H. Gloom & Co., and W. H. Gloom insured.

N. O. Brains, Agent.

MY NEW YEAR'S WISH.

May the insurance fields be watered with the rains of prosperity brightened by the sunshine of peace and happiness, perfumed with the flowers of friendship. M. H. M.

You have seen the late quotation,
Posted well throughout the Nation,
That the pleasant smile that cheers the heart
Is worth a million dollars.

But despite their seeming ease and worth,
You'll notice as you tread the earth
That smiles are few and far between,
Compared to mankind's "hollers."

For the average man is all for self,
And in his scramble for the pelf
Gets mighty saving of his drafts
Upon the Bank of Happy Smile.

But there is a class of men you'll find
Far, far above the average kind,
They 're Insurance Special Agents,
And they make your life worth while.

For they your burdens lighten,
Your gloomy moods they brighten,
They fill the coffers of your heart
When they 've been emptied by despair;

And we accept their currency
At it's face value, for we
Know when smiles are worth a million.
Each is a multibillionaire.

—Maud Holmes Miller, Poet low-rate, Riverside, Cal., Dec. 10, 1912

THE BINGVILLE BUGLE.

Eddytorial.

We desire to call the attenshion of the town Selectmen to the awful necessity for a complete new outfit for the Bingville fire department, which dire need is represented by one round dozen of new water pails.

It is the misshion of the Bugle as the best advertising medium in the country, and otherwise a newsy and up-to-date newspaper, to look out after the town's best interests. It is our sacred duty as editor and prop. and printer's devil and typesetter and advertising mgr. of the Bugle to see the needs of Bingville and call attenshion to them in red hot editorials, like this one, for instants. It keeps us pretty bizzy seeing something to call attenshion to in Bingville every week, but it is our opinion that we do right well if we do say it ourself, according to our opportunities. We don't scairsely ever get what we ask for, but we have the conshiousness of having saw our duty and done it.

The wood pails, which has been in use by the Bingville fire dept. for the past 10 years has went to rack and ruin, as you might say, and at the present writing there ain't one that will hold water no more than a sieve. As for the rest they have been borrowed from the Town Hall by unscrupulous persons needing a water pail and never returned. What is the result, we ask? The result is that if a raging fire was to break out in our midst at a unexpected moment we would be unprepared to handle it. The brave and heroick members of the Bingville fire dept. can't carry water to put out a fire within buckets if they ain't got no buckets, can they? It is ridiculous to think so.

In a interview which we had with Jason Tucker, chief of the fire dept. Jason stated that him and his men was ready to fight the flames to the death if necessary, but they'd be durned if they'd fight 'em unless they had pails to carry water in. Jason said if the Selectmen had any git up to them they would buy a dozen new water pails, even if they had to bond Bingville to do it. Jason said it was criminal carelessness on the part of our Selectmen to not furnish pails when the entire dozen could be bought at Hen Weathersby's store for three or four dollers. What is three or four dollers compared to Bingville being a total loss by fire? We answer nothing!

What does the town Selectmen expect the fire department to do supposing a big fire breaks out unexpected in our midst? Do they expect the members of the fire department to carry water to the fire in their hats? The sooner our lazy, loafing, dooless, good for nothing town Selectmen wakes up to the interests of Bingville the better it will be for their reputa-

shions. Let us have a dozen new fire pails so that our fire department will compare favorably with that of Hardscrabble. If there ain't no money in the town treasury to buy these pails with (which there ain't) then let somebody get up a petishion and raise enough money to buy the pails with by public subscripshion. The Bugle will head the list with 25 cents.

It is a shame and a disgrace and a contumely and a wart on our reputashion as a town that we are not able to keep our fire department in a fit condishion to fight a fire with. What will the neighboring towns think of us and what does our pusilanimous town Selectmen care if they do? These three men who have been elected to fill the highest office within the gift of the voters of Bingville without salary or other emoluments, will tempt fate too far one of these days—yes, they will wake up some morning, like as not, and find the thriving, bustling town of Bingville a total loss and no insurance.

LONG-DISTANCE BURNS.

Not Every Story Beginning as this One Does is a Fable.

Once on a time—no matter when, save that it was but a short time ago—at a certain little town—no matter where, save that it was in the great state of California—a certain hay warehouse—no matter whose, save that the corporation which owned it has a reputation for honesty and the property was greatly under-insured—was destroyed by fire.

The effect of this fire upon the human cuticle has never been equaled by any conflagration that has ever warmly devoted its energy and attention to combining the greatest possible amount of our atmospheric oxygen with all the available carbon in its vicinity. Hence the world of science, and the insurance world as well, should learn from this fire the disastrous and far-reaching effects possible for a quick combination of oxygen and carbon to exercise upon the tegument of humanity. It is to this end that this o'er true tale is sadly told.

George Macintosh is a farmer. He is the owner of copious whiskers, fragmentary hair, and a marvellously supersensitive cuticle. Facts prove that he burns very easily. There is no question but that he is an extra hazardous risk. How he manages to escape combustion on a hot summer's day, the Lord only knows.

Well, on the time above mentioned, George drove into the little town aforesaid with a large empty wagon and four horses. He camped seventy-five feet, by actual measurement, south of the south end of the hay warehouse previously spoken of. When the evening shadows fell, as they

have a habit of doing throughout the state of California, George, using the wide, wide world as a boudoir, retired to the bed of his wagon and, all unconscious of danger, wrapped himself in a blanket and sweet slumber.

Fire! At about 2:30 A. M. smoke was seen by some railroad hands issuing from the north end of the warehouse. They ran hurriedly to the rescue. As they neared George's wagon, they met him returning from the place where he had hitched his horses. But, sad to say, parts of George were gone. Fire had ruthlessly appropriated a portion of his scanty hair and abundant whiskers, not to mention patches of skin off the soles and sides of his substantial feet.

The railroad men could do nothing to stay the progress of the flames. The alarm was sounded; the town rushed to the scene, but the fire had the right of way. The flames galloped merrily from the north to the south end of the warehouse and lighted the surroundings with a light as of day. Among others, poor George stood forth in full illumination. The havoc wrought upon his frame by the fire—his shortened hair, his abridged whiskers, his cooked feet—all were boldly revealed. The gathered crowd was, as is customary, anxious to learn the full detail concerning everybody's experience with the Fire Fiend. George was plied with questions; and then was made plain to the world a new possible use for George as the most sensitive pyrometer known to man, woman or child.

Some unthinking scientists in the crowd, ignorant of George's peculiar fitness for pyrometry, and duly mindful of the fact that he was said to have no false delicacy about the property of others, were unkind enough to suspicion that George's fire ravages occurred in this wise: George, with a laudable desire to acquire fodder, about 2 A. M. had hitched up his team, driven to the warehouse door in the north end, pried loose the hasp of the lock, groped his way into the darkness, struck a match to get his bearings and locate the kind of hay he particularly wanted, got his bearings, dropped the match too soon, started to take down a bale of hay, found his dropped match had started a fire, tried in vain to stamp it out with his feet, found his hair and whiskers gradually but ruthlessly disappearing, dashed for the door, drove his team back hurriedly, unhitched it, and was returning from the place where he had taken his horses, when the railroad men met him as they were running to the fire.

How unjust all such suspicions were can be seen from George's own story. He was sleeping, as quiet as a child, in his own wagon bed, seventy-five feet away from the south end of the warehouse. The fire started, as has been told, in the north end, and the building was three hundred feet long. When George woke up, he found that he was so bad a fire risk that, although the south wall of one-inch boards and several piles

of hay in the warehouse intervened between him and a fire over three hundred and fifty feet distant, the conflagration, even before it got really down to work, was able to take a good deal of his hair and a large part of his whiskers; and worse yet, was able to reach over into the wagon bed and start oxygen to combining actively with the carbon of his feet, so that quite a lot of skin was gone and a large crop of beautiful blisters raised. All this while George peacefully slumbered and dreamed of cool springs, shady places, and low temperatures. Doesn't he sleep well? Now, most men are such light sleepers that if you place even so small an amount of combustion as a burning cigarette against their littlest, smallest toe, they wake up and howl. But George—his feet can be cooked almost "medium" before he even realizes that important and tender parts of his very own anatomy are apparently being adroitly prepared to adorn a Fiji Island menu. You could almost fry him crisp as a Saratoga chip before he even rouses from slumber.

In any event, there's a partly cooked, unprosecuted man in one of our California counties who is a walking evidence of the awful effects of fire at long range. Science and insurance should appoint committees to investigate his supersensitiveness of cuticle. The corporation who lost the warehouse will gladly provide the expense of testing his culinary possibilities, pay a bonus for each square inch of peeled skin, and offer a liberal prize to the committee raising the largest number of healthy, full-grown blisters.—Hartford "Agent."

The President—Once more, gentlemen, I call your attention to the banquet tonight. A motion is now in order to adjourn.

Mr. Sexton—I move that we adjourn, Mr. President.

The meeting thereupon adjourned sine die.

A Complete List of Papers Read Before the Fire Underwriters' Association of the Pacific From 1877 to 1912 Inclusive

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A

Title.	Author.	Year.
Adjuster—A few Suggestions to the Washington	H. L. Granger	1906
" From the View-point of An	H. C. Koempel	1908
" The. Is He Made or Born?	D. M. Bokee	1887
" When Shall He Decline to Make Proofs?	B. D. Smalley	1893
Adjusters—Independent	E. P. Farnsworth	1899
" and Appraisers	A. J. Wetzlar	1891
Adjusting—Bureau System of	W. L. Chalmers	1888
" Fire Losses as a Business	Henry Hall	1910
" Grain Field Losses	Wm. Sexton	1901
" Losses	Wm. Sexton	1897
" Lumber Losses	Wm. Sexton	1908
Adjustment Before Loss	L. B. Edwards	1892
" Merchandising and Handling of Salvage	G. C. Main	1912
" Scientific, of Book Losses With and Without Books	F. J. Alex Mayer	1905
" of Partial Losses	R. W. Osborn	1894
" Trip—A Foreign	V. C. Driffield	1900
Adjustments—Small Loss	W. H. Gibbons	1897
" Some Mistakes in the Management of Fire Loss	W. L. Chalmers	1897
" Tenants Improvements	T. C. Shankland	1911
Association—The. Individual Benefits to be Derived From	D. M. McVean	1896

B

Benzine—The Peril of Using in Canning Establishments	W. J. Landers	1883
Board—Value of the to the Local Agent	J. L. Fuller	1899
Board of Fire Underwriters—The Value of	C. D. Haven	1909
Boiler Risks—The. In Special Hazards	J. D. Maxwell	1892
Brain Work in Our Profession	R. C. Medcraft	1905
Breach of Trust	A. R. Gunnison	1891
Broker—As a Claim Agent	R. V. Watt	1886
Building Construction and Rates	T. J. A. Tiedemann	1909
Building Losses for Beginners	A. F. Sewell	1905
Buildings in Course of Construction—The Insurer's Liability on	B. Faymonville	1892
Buildings, Modern—Estimating the Cost of	G. A. Wright	1897
Bunch Grass and Sage Brush	J. W. Gunn	1901
Bureau of Investigation	J. L. Fuller	1894
" " "	R. P. Fabj	1894
Burglary Insurance	A. C. Donnell	1897
Buried Thoughts, or Profitable and Unprofitable Efforts	F. C. Staniford	1909

C

California Form of Fire Insurance Policy . . . . . T. C. Coogan 1910
Cancellation Clause . . . . . B. Faymonville 1889
Cancellation—Short Rate . . . . . R. H. Delafield 1903
Canning Establishments—The Peril of Using Benzine in . . W. J. Landers 1883
Celebrated Case, A . . . . . H. M. Grant 1890
Class "A" Buildings—The Effect of Fire Upon . . . . . G. M. Robertson 1907
Class "A" Construction . . . . . W. J. Miller 1907
Classification . . . . . G. W. Dornin 1885
" by Pacific Union . . . . . Franklin Bangs 1894
Coal Oil in Stoves . . . . . J. A. Brumsey
Co-insurance Clause . . . . . Z. P. Clark 1886
" " . . . . . F. H. Carey 1893
" —The Use of . . . . . Guy Francis 1905
Collect or Cancel . . . . . G. W. Dornin 1896
Collections . . . . . H. P. Blanchard 1910
Collegians—in the Profession . . . . . J. Scott Wilson 1887
Compact and Its Functions—The . . . . . D. A. Spencer 1893
Compacts—Are They Desirable? . . . . . Edward Brown 1889
" —Use and Abuse of . . . . . E. W. Carpenter 1894
Competition . . . . . L. A. Wright 1897
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Co-operation . . . . . C. C. Hine 1883
" . . . . . A. M. Brown 1896
" —Practical Benefits of . . . . . Geo. Easton 1890
Cotton Industry In California—Its Treatment From an Underwriter's Standpoint . . . . . McClure Kelly 1912
Counter Business . . . . . A. R. Grim 1896
Credit System in Fire Underwriting . . . . . A. R. Gunnison 1889

D

Daily Report—Adventures of a . . . . . R. C. Medcraft 1904
Depreciation—Brief Analysis of the Theory of . . . . . H. McD. Spencer 1899
Depreciation and Discount—The Ethical Shading of . . . . . Peter Outcalt 1890
Disagreement for Appraisal . . . . . F. G. Argall 1900
Does It Pay? . . . . . A. J. Wetzlar 1887

E

Education of a Neophyte . . . . . H. Carstens 1909
" —The Phases of . . . . . R. W. Osborn 1893
Electric Association—The Underwriters' International . . . G. P. Lowe 1894
Electric Companies—Liability of, to Insurance Companies for Fires Resulting From Electric Wires . . . . . T. C. Van Ness 1891
Electric Light—Fire Hazard of . . . . . E. W. Carpenter 1882
" " and Power Plant . . . . . G. P. Lowe 1895

Electric Service from Trolley Lines	W. S. DuVal	1902
Electric Station Risks, Concerning	G. P. Lowe	1900
Electric Stations as Insurance Risks	G. P. Lowe	1893
Electrical Hazard, Common	M. E. Cheney	1912
" Impostors and How to Suppress Them	G. P. Lowe	1893
" Inspection in California, Simple	G. A. R. Heuer	1907
" Inspections from the Special Agent's Point of View	W. E. Hughes	1906
Electricity—The Fire Hazard of	G. P. Lowe	1892
" " " " "	Prof. C. L. Cory	1904
Errors, Professional	Peter Outcalt	1892
Ethics in our Business	R. V. Watt	1891
" of our Profession. Are They an Evanescent Sentiment?	C. F. McLellan	1891
Exemption Clause. Five Per Cent	C. O. Scott	1903

F

Facts vs. Figures	W. J. Dutton	1898
Fire	W. H. Merrill	1911
Fire and Marine Policies, Co-existent	W. J. Dutton	1893
Fire Department and Water Supply	C. P. Farnfield	1884
" " " " "	Wm. Sexton	1883
" " " " "	Geo. D. Dornin	1877
" " " " "	Edward Brown	1885
" " The San Francisco	E. P. Farnsworth	1902
Fire Hazard, Notes on Lessening the	W. B. Honeyman	1907
" " The, of San Francisco	H. McD. Spencer	1904
Fire Hazards, Little	F. H. Porter	1895
Fire Insurance as a Collateral, The Benefits of	Wm. Sexton	1892
" " Corner Stones of	C. I. Hitchcock	1909
" " Literature, The Choice of	Herbert Folger	1898
" " Methods of, in Europe	Edward Brown	1900
" " Upon the Continent of Europe	V. G. Gollmick	1912
Fire Marshal—Duties of	Chas. Towe	1912
Firemen, The Organization of the	J. A. Marston	1893
Fire Patrols	C. A. Laton	1892
" "	Calvert Meade	1900
Fire Prevention Committee, A Plea for	N. B. Whitely	1903
" " Day and Insurance. Why Not?	H. E. Dunn	1912
Fire Underwriters Inspection Bureau of the Pacific Coast, The Work of	W. R. Roberts	1911
Fire Underwriting—Art in	G. Brown	1901
" " The Practice of	Young E. Allison	1898
Fire Waste—A Personal Responsibility	E. C. Morgan	1912
Fire, Water and Smoke, The Effect of on a Dry Goods Stock	C. E. Allen	1912
Fires and Fire Departments in San Francisco—My Early Experience and Recollection of	S. R. Weed	1908
Fires and Their Causes	Wm. Sexton	1888

Fires Large—in American Cities	Herbert Folger	1895
First Steps	Wm. Maris	1908
Flour—A Lot of	H. M. Grant	1900
Forms of Policies	Anon	1879
Forms and Policies	E. E. Potter	1880
" " "	C. Mason Kinne	1882
" " "	Wm. Sexton	1891
" Faulty—A Few Familiar	T. D. Boardman	1897
Forty-five Years Ago	D. B. Wilson	1896
Fraud, Misrepresentation and Concealment	L. L. Bromwell	1880
Friendships, Personal—Among Insurance Men	B. J. Smith	1891

G

Garage, The—With Suggestions for its Construction and Maintenance	J. H. Morrow	1912
Garnishments	W. S. Goodfellow	1898
" Before Proofs	V. C. Driffield	1892
General Agent, The, From the Special Agent's Standpoint	A. F. Sewell	1893
Good and Bad in the Profession	T. W. Fenn	1887
Grain Field Losses	Wm. Sexton	1901
" " "	W. H. Lowden	1901
" " "	Calvert Meade	1901
" " "	V. C. Driffield	1901
" " "	F. G. Argall	1901

H

Hazard—The Careless in Our Business	F. C. Staniford	1905
Hazards—Elements of Rating	Edward Brown	1880
History of Insurance in California	E. W. Carpenter	1884
Hops as a Fire Hazard	A. L. Thompson	1897
How To Advertise	Calvert Meade	1886

I

Ills We Have, The	W. J. Dutton	1891
Illumination, Artificial, The Hazards of	G. P. Lowe	1892
Impressions of a Traveler From Altruria	C. K. Drew	1908
Influences Prejudicial	T. D. Boardman	1895
Inspection	T. C. Shankland	1902
"	Grayson Dutton	1903
" Systematic, Its Aims, Methods and Results	F. H. Porter	1893
" Saw-Mill	A. W. Whitmer	1905
Inspections	Edward Niles	1895
"	Lee McKenzie	1906
"	J. H. Morrow	1896
Instinct in Underwriting	A. S. Murray	1890
Insurable Interest	J. D. Bailey	1880
" "	F. W. Sweet	1894
" "	T. H. Williams	1911
" " of a Bailee, The	F. B Kellam	1905

Insurance and The Press	J. Scott Wilson	1890
Insurance Brokers' Association	D. A. Spencer	1910
Insurance Contract, Suggestions Upon the	T. C. Van Ness	1883
Insurance Dictionary	Franz Jacoby	1899
Insurance in California, History of	E. W. Carpenter	1884
Insurance Supervision, State, Good Results of	C. G. Heifner	1899
Insurance vs. Underwriting	E. Brown	1894
Is the Rate Adequate?	Herbert Folger	1904
Interior Wiring	C. M. Goddard	1894

K

Know Thyself	Geo. H. Tyson	1890

L

Law, The Study of as an Aid to an Insurance Man	Chester Deering	1898
Leasehold Interest Insurance	An Attorney	1908
Legislation	J. H. DeVeuve	1893
" and Taxation	L. B. Edwards	1887
" " "	J. F. Houghton	1885
" " "	J. F. Houghton	1879
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" " "	E. Brown	1878
" " "	A. D. Smith	1882
" " "	T. A. Mitchell	1883
" " "	L. B. Edwards	1884
" " "	L. B. Edwards	1887
Liability—When to Deny	Wm. Sexton	1902
Lines—Theory of	F. G. Argall	1895
" " "	Prof. A. W. Whitney	1905
Little Drops of Water, Little Grains of Sand	Chas. B. Hill	1902
Local Agent—Experience of a	Bruce B. Lee	1886
Local Agent's, From a Standpoint	M. R. Hook	1887
Local Agents	L. L. Bromwell	1879
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" "	Wm. Sexton	1881
" "	O. H. Cole	1882
" "	T. E. Pope	1883
" "	W. P. Thomas	1884
" "	H. M. Grant	1885
" "	A. R. Gunnison	1887
" "	C. F. Mullins	1887
" "	J. H. DeVeuve	1888
" "	Geo. F. Grant	1889
" "	C. S. Hill	1902
" "	Edwin Parrish	1909
" " and Adjustments	R. A. Luke	1898
" " By a Local	Bruce B. Lee	1885
" " The Education of	R. J. Highland	1910

Local, Tribulations of a	J. A. Faymonville	1899
Local Board Business—A Plea for	H. L. A. Bates	1896
" " Organization	H. M. Grant	1897
Local Boards and State Associations—The Relation of to the Board of Fire Underwriters	W. Stephens	1912
Local Insurance Agent, The Trials and Tribulations of	G. W. Harney	1892
Looking Backward	J. H. DeVeuve	1892
Looking Forward	H. T. Lamey	1901
Loss Adjustments—Upon the Element of Estimation in	H. M. Grant	1891
Losses—Settlement of Under Policies of General Insurance	F. B. Kellam	1901
" and Adjustments	L. L. Bromwell	1877
" " "	G. W. Spencer	1878
" " "	Geo. D. Dornin	1879
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" " "	J. R. Garniss	1882
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" " "	W. L. Chalmers	1887
" " "	W. H. Lowden	1887
Lumber and Shingles—The Cost of Manufacturing	A. W. Thornton	1906
Lumber Mills of the Northwest	Alex. Field	1903
Lumber Losses—Adjusting	Wm. Sexton	1908

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Machinery	E. W. Carpenter	1883
Management of Fire Loss Adjustments—Some Mistakes in the	W. L. Chalmers	1897
Managers—The Assistant	W. H. Bagley	1898
Manners and Mannerisms	Wm. Sexton	1906
Manufacturers' Damages, The Measure of	W. H. Lowden	1891
Methods and Results	H. W. Fores	1901
Mexican Fire Insurance and Method	J. A. Faymonville	1900
Mind Our Own Business	Wm. Sexton	1893
Motion Picture Machines	W. E. Hughes	1911
Mortgagees' Interest	L. Beck	1880

N

Need of the Hour, The	Herbert Folger	1900
Newspaper Press and Its Treatment of Insurance Questions	F. W. Ballard	1884
Non-Cancellation Clause	A. W. Thornton	1896
Non-Waiver Stipulation, The	T. C. Van Ness	1898
Norwich Institute, The	W. P. Abel	1907
Nosin Round	Wm. Maris	1896
Now and Then	Stephen D. Ives	1891

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Observations	Calvert Meade	1894
Office System	A. C. Thornton	1897
Open Insurance—The Evils of	J. A. Marston	1892
Organization Upon Border Lines	V. C. Driffield	1895
Over Insurance	Chas. Towe	1895

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Paper Mill—Fire Hazard in the	W. F. Howarth	1911
Papers—On the Writing of	Herbert Folger	1909
Partial Losses, Adjustment of	R. W. Osborn	1894
Past Pleasures vs. Present Comfort	A. R. Gunnison	1892
Penitent Brother, Our	Bruce B. Lee	1887
Permits and Clauses, Their Use and Abuse	T. H. Williams	1912
Petroleum, Crude, and Its Hazards	W. H. Gibbons	1899
" Its Relation To Fire Underwriting	A. W. Gunnison	1904
Photography in Its Relation to Fire Insurance	T. W. Fenn	1889
Plate Glass Insurance	J. R. Hillman	1895
Pleasures of Being In the Business	T. C. Coogan	1910
Policy of Insurance—Should It Be a Contract of Absolute Indemnity?	Geo .D. Dornin	1889
Policy—Standard Form of	D. A. Spencer	1903
" —The Written Part of the	E. Brown	1892
" Forms—Ancient and Modern	A. R. Gunnison	1897
Policies—Forms of	B. Faymonville	1885
" " "	W. L. Chalmers	1886
" " "	J. M. Thompson	1886
" " "	J. D. Bailey	1881
" " "	W. L. Chalmers	1883
" " "	Geo. Easton	1884
" " "	W. J. Landers	1877
" " "	W. J. Landers	1878
Popular Ignorance in re The Theory of Fire Insurance and the Policy Conditions	J. K. Hamilton	1879
Press, The—As an Adjuster	V. C. Driffield	1894
Profit and Freight in Book Losses	Wm. Sexton	1909
Proper Vice	B. Faymonville	1888
Public Opinion—An Appeal From the Court of	R. W. Osborn	1907
Publicity	Washington Irving	1909
Pulverized Coal as Fuel	W. H. Gibbons	1901

Q

Quartz Mill Hazards	W. W. Hanscom	1882
Quotations From the Publications of the Committee on Publicity and Education	A. P. Lange	1910

R

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Reinforced Concrete, Buildings of . . . . . Prof. C. Derleth Jr. 1910
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Rent, Leasehold, Use and Occupancy and Profit Insurance . C. C. Kinney 1910
Replacement, Manufacturers' Cost of . . . . . Wm. Maris 1904
Requirements of the Times . . . . . F. G. Argall 1896
Retrospective . . . . . L. L. Bromwell 1897
Risks on Outside Buildings . . . . . A. A. Andre 1897
Rough Notes Clerks' Examination . . . . . Herbert Folger 1902
Round and Round . . . . . Geo. F. Grant 1900

S

Salary Solicitor System in San Francisco . . . . . R. C. Medcraft 1899
Salvaging Merchandise Damaged by Fire, Water and Smoke. David Isaacs 1911
San Francisco Disaster, The . . . . . J. L. Fuller 1906
" " Tariff, The . . . . . C. B. Hill 1897
Schedule, Our Present, The Practical Application of . . . . . H. E. Parkhurst 1893
" Rating . . . . . Alex. Field 1908
Science and Underwriting, or Microscopic Hazards . . . . . C. Mason Kinne 1883
Scientific Bookkeeping and the Adjustment of Book Losses, With and Without Books . . . . . F. J. Alex Mayer 1905
Shingle Mill Question, Some Remarks on the . . . . . L. W. Wright 1901
Short Rate Cancellations . . . . . R. H. Delafield 1903
Sketches on the Road . . . . . A. C. Thornton 1899
Slow Burning Construction of Wood . . . . . F. J. Alex Mayer 1903
Smile, The Eloquence of a . . . . . Wm. Sexton 1898
Southwest, The . . . . . H. B. Smith 1893
Sparks and Spray . . . . . W. J. Dutton 1884
Special and the Compact . . . . . A. A. Andre 1892
" The, From a Local's Standpoint . . . . . F. D. Brown 1896
" What the, Requires From the Office . . . . . A. R. Grim 1897
" The Relation of the, to the Local Agent . . . . . J. Cunningham 1905
" The Northwest . . . . . J. W. Gunn 1906

Special Agent, The Relation of the to the P. I. U	C. Mason Kinne	1891
" " The	Hugh Craig	1895
" " The	Whitney Palache	1895
" " The	Miss F. L. Grippen	1906
" " Some of the Advantages Afforded a	J. Cunningham	1908
Special Agents	Geo. F. Grant	1884
" "	Z. P. Clark	1889
" "	Edward Niles	1892
" "	Edward Niles	1898
" "	Edward Niles	1902
" " and Their Relation To the Management	J. B. Walden	1908
Special Work, The Cost of	R. C. Medcraft	1902
Spontaneous Combustion	C. Mason Kinne	1889
" "	Prof. E. O'Neill	1908
Sprinkler, The Value of the	W. S. Davis	1898
Sprinkler Equipment, The Installation of	G. A. R. Heuer	1911
" Equipments—Use and Abuse of	A. M. Brown	1903
" Inspection	G. M. Robertson	1905
Standard Form of Policy, The New York	B. Faymonville	1887
" " " The California	T. C. Coogan	1910
State Supervision—Federal Supervision	C. R. Harold	1911
Station Transformer—The Hazard of the	Geo. P. Lowe	1902
Statistics	Geo. W. Spencer	1877
"	A. D. Smith	1879
"	E. W. Carpenter	1880
"	A. P. Flint	1881
"	O. H. Cole	1883
"	C. D. Haven	1885
"	W. H. Lowden	1897
" The Lack of Proper	A. D. Smith	1888
" Pacific Coast	W. H. Lowden	1888
" Safeguards in the Use of	Prof. C. C. Plehn	1904
" Value of	B. J. Smith	1894
Statutory Requirements of the Various States	V. C. Driffield	1889
Sub-Agents, Commissions and Compensations to	W. J. Callingham	1881
Subrogation	S. G. Williams	1903
Subtraction	R. W. Osborn	1900
Sugar Mills, Hawaiian, and Their Fire Hazards	A. R. Gurrey	1906
Suggestions	Chester Deering	1908
" A Few	V. C. Driffield	1906
" of a Newspaper Man	H. H. Bigelow	1896

T

Talk, A	F. J. Devlin	1896
Tariff Associations—The Growth of	Herbert Folger	1892
Texas	J. V. Spear	1902
Theater Hazard, The	W. S. DuVal	1904
Thoughts of a Hired Man	Edward Niles	1896
Trifles, Unconsidered	Geo. C. Platt	1888

U

Underwriters' Laboratories Incorporated	Geo. M. Robertson	1910
" Pilgrimage	Franz Jacoby	1900
Underwriting Associations or Bureaus, Their Values	A. W. Ross	1912
" As an Exact Science	W. E. DuVal	1899
" The Agnostic Element of	A. S. Sewell	1898
" Conditions in San Francisco, The Present	Adam Gilliland	1907
" From a Legal Standpoint	Lloyd Baldwin	1884
" From a Local Agent's Standpoint	W. T. Broderick	1883
" Usages of	A. R. Gunnison	1882
Universal Schedule, Is the, Adapted to Pacific Coast Risks	Herbert Folger	1893
University Work in Insurance	Prof. A. T. Whitney	1904

V

Virginia City Fire, History of the	H. H. Bigelow	1893

W

Waiver and Estoppel	Peter Winne	1885
" The Doctrine of as Relates to the Adjustment of Fire Losses	R. T. Archer	1909
Wanderings	E. G. Sprowl	1890
Want, The Long Felt	J. A. Carey	1901
Water Supply of Cities, The	Prof. C. G. Hyde	1907
What Do We Learn	H. M. Grant	1892
What Will the Harvest Be?	J. F. Edmonds	1902
What the Times Demand	Louis Weinmann	1894
What to do When the Books Are Burned	W. H. Lowden	1890
Wine Cellars as a Fire Hazard	R. H. Delafield	1901
Wine Problem, The Association	Calvert Meade	1899
Wiring—Interior	C. M. Goddard	1894
Women as Local Agents	J. M. Holmes	1901
Wood, Slow Burning Construction of	F. J. Alex Mayer	1903

The Fire Underwriters' Association of the Pacific is the outgrowth of the Virginia City, Nevada, fire of October, 1875.

On October 28th thirty-four Adjusters held a meeting in what was then known, on the main line of the Central Pacific railroad from Ogden, Utah, to Oakland, California, as the *Silver Palace Sleeping Car*, and one of those sleepers was side-tracked at Virginia City and became their temporary lodging house. At this meeting Mr. B. F. Low was appointed Chairman and Mr. J. W. Staples Secretary, to select committees to handle the losses at that time.

On November 13th this organization was amalgamated, crystalized and took form, and it was decided that L. L. Bromwell, H. H. Bigelow and J. R. Garniss be appointed a committee to draft a constitution and by-laws for the continuance of the Fire Underwriters' Association of the Pacific. Said committee reported in San Francisco, California, February 23d, 1876.

With the convening of those thirty-four Adjusters at Virginia City in October, 1876, we now have a strong organization of three hundred and twenty-eight members, which later, we trust, will incorporate under the laws of the State of California.

Time has laid its caressing hand upon many of those pioneers, and of the twenty-nine charter members only eight survive, viz:

R. G. Brush,	E. E. Potter,
Robt. Dickson,	Wm. Sexton,
William Macdonald,	A. D. Smith,
R. H. Magill,	H. W. Snow.

"Judge not of a ship as she lies on the stocks"

MENU

Seapuit Oysters

Riesling
Palace Hotel
White Seal

Strained Chicken Gumbo, Princess

Celery Ripe Olives Salted Almonds

Filet of Bass, Troubillaise

Claret
Palace Hotel
Red Seal

Saddle of Lamb, Colbert

Peas aux Fines Herbes

Potato, Chateau

Sorbet au Champagne

Imperial Squab au Cresson

Salade de Saison

Champagne
Mumm

Fancy Ice Cream

Mignardises

Apollinaris

Coffee

Instrumental Music - - - - Eppstein's Orchestra

"Have not thy cloak to make when it begins to rain"

IN MEMORIAM

EDWARD NILES

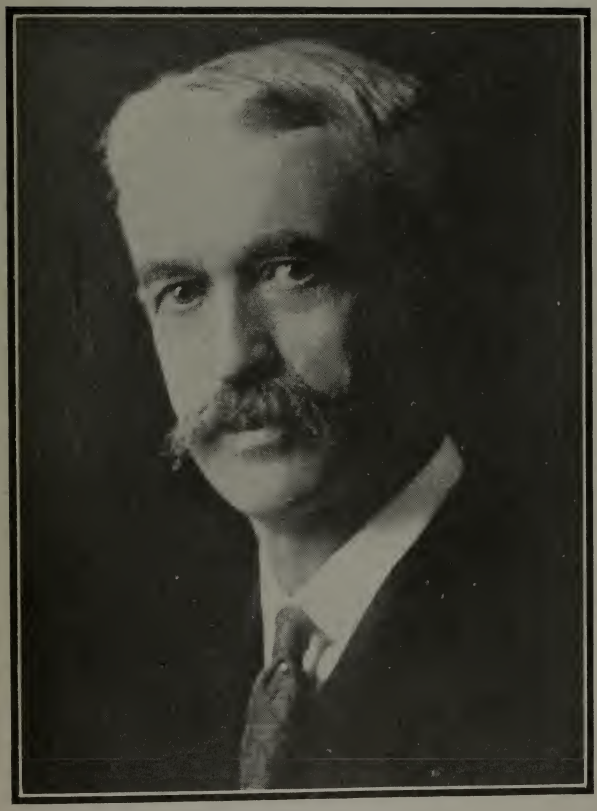
Edward Niles, one of the best known members of our Association for more than twenty years, died in San Franciseo on the 4th day of July, 1912. Mr. Niles was engaged in field work during the greater part of his career and filled positions at various times with the Union Insurance Company of California, Alliance Assurance Company of London, London Assurance Corporation, and for over fifteen years with the North British & Mercantile Insurance Company.

Throughout his connection with the Association, Mr. Niles furnished contributions to its printed proceedings which attracted wide notice. From 1895 to 1906 he was Associate Editor of the "Knapsack"; and upon his removal to the Eastern Department of his company in 1908, he was elected an Honorary Member of this Association. His papers were both entertaining and instructive and no President ever called upon him for help without receiving it in full measure. He is the author of the sentiment: The charm of this Association is that we meet here as equals, no matter what may be our disparity in business stations; and here, if nowhere else, is recognized the fact that "rank is but the guinea stamp, the man's the gowd for a' that."

Mr. Niles will long be remembered by the members of this Association. His character and temperament were exemplified in his address as President in 1900, and your Committee cannot pay a higher tribute to his memory, than to quote the words with which he closed his own address:—

> "I call you by the common title, yet
> There is a better word, and that is, friend;
> And it will hold its quiet way until
> All earthly things come to an earthly end."

HERBERT FOLGER,
A. W. THORNTON,
R. W. OSBORN.
} COMMITTEE.



EDWARD NILES



JOHN W. G. COFRAN

JOHN W. G. COFRAN

Born at Goshen, New Hampshire, June 13, 1855.
Died at Hartford, Connecticut, January 15, 1912.

Mr. Cofran's insurance career began in 1874 as an office boy in the San Francisco office of the Commercial Insurance Company, he being then nineteen years of age. In 1879 he was placed in charge of the business of that company in the Northwest, with headquarters at Portland, Oregon. In 1881 he also represented the Hartford Fire Insurance Company in that field, and the connection thus originating continued through life. He became General Agent of the Pacific Department of the Hartford in 1886, being associated with H. K. Belden under the firm name of Belden & Cofran. In 1895 he was transferred to Chicago as Assistant General Agent of the Western Department, and in 1896 became associated with R. M. Bissell, forming the General Agency firm of Cofran & Bissell. In 1903 the General Agency firm of Cofran & Dugan was formed. In 1909 he became Vice-President of the company and transferred his residence to Hartford.

As an underwriter, Mr. Cofran was known throughout the country, and occupied a very prominent place in the various fire insurance organizations. In San Francisco he served as Vice-President and Chairman of the Executive Committee of the Board of Fire Underwriters of the Pacific. In Chicago he served two years as President of the Western Union, besides many terms on its Governing Committee. While his residence in Hartford was brief, he had already made a marked impression upon insurance circles.

He became an active member of this Association in 1887, and after his transfer of residence to Chicago was elected an honorary member in 1897.

Neither distance, nor time, nor increasing responsibilities were sufficient to eradicate the sincere interest he took in the affairs of this Association, and its membership. Invariably our Annual Meetings have been brightened by his cheerful telegram conveying a message of congratulation and goodwill, and which frequently embodied a material token of his ever faithful remembrance.

Although over sixteen years elapsed from the date of his departure from San Francisco, the strong affection he bore for California was never dissolved. His periodical visits to the Pacific Coast were always a source of pleasure to himself, as they were to his many old friends, who rejoiced at each recurring opportunity for contact with the sunshine and fragrance of his clean and manly life.

We would record on this all too brief page in the Annals of our Association our high esteem for his character and attainments, voice our loving remembrance of his personality and express our profound sorrow at his untimely death.

We mourn not only an honorary member stricken from our Roll, but a warm hearted, loyal, generous and beloved man and friend, whose name and memory will be fondly cherished. Our comfort comes from the assurance that the uplifting influence of his upright life and strong character will not cease with his departure, but will continue a source of inspiration for courage and virtue to all who knew him, until they too are enrolled in the Great Association.

WHITNEY PALACHE,
BERNARD FAYMONVILLE,
WILLIAM SEXTON.

STEPHEN DALLAS IVES

Stephen Dallas Ives, a member of our Association since 1883, and it President during the year 1893, passed from life in Oakland, October 25th, 1912

Mr. Ives was born in Meriden, Connecticut, in 1844, the year Polk and Dallas were chosen as President and Vice President of the United States, and he was named after Vice President Dallas, who was a personal friend of his father's.

While still a youth, the great Rebellion broke out, and being at Chicago when in 1861 President Lincoln issued his first call for 75,000 troops, young Ives promptly enlisted in the original Ellsworth-Zouaves, whose Colonel was the first Federal Officer killed in the War, being shot while pulling down a Rebel flag at Alexandria, Virginia.

Mr. Ives, after serving his country faithfully at the front, returned to Meriden and engaged first with his father in the hotel business, and later served for a year as editor of a paper, the "American Sportsmen," an occupation in harmony with his taste, for he was then a somewhat noted athlete.

Subsequently he engaged in commercial traveling, in which occupation he came to California in the late '70's, and in February, 1882, entered the service of the Fireman's Fund Insurance Company as Special Agent.

The field of a Special was not then confined as now to a limited district, but was co-extensive with the department, and Mr. Ives's journeys instructing local agents, mapping towns and adjusting losses, extended from British Columbia to Texas, and from Montana and the Dakotas to Mexico. A single trip frequently consumed six months, and involved day and night travel by buck-board in straw hat and duster across the desert, and by wagon in buffalo robe, through snow storms and blizzards, but wherever he went, his quiet dignity, dry humor, and sterling common sense endeared him alike to local agents and fellow-specials.

In 1893 he became first Secretary and later Vice President of the Home Fire & Marine Insurance Company, and since the conflagration of 1906, failing health caused him to give up traveling altogether, but the old local agents and the members of this Association will honor the memory of Stephen D. Ives as a representative Special Agent and adjuster of the old school, and always an advocate of good practices in underwriting.

WM. J. DUTTON,
J. L. FULLER,
GEO. H. TYSON.



STEPHEN DALLAS IVES

J. H. McKOWEN

The uncertainty of life has again been brought to our notice in the passing away of our esteemed friend and associate, J. H. McKowen, who departed this life December, 1912.

Mr. McKowen came to the Pacific Coast from Nebraska, early in the nineties, and became identified with the State Insurance Company of Salem, Oregon, in the capacity of General Adjuster. Later, he went to Spokane, Washington, and engaged in general adjusting; conducting an independent adjusting bureau, enjoying the confidence of all the companies on the Coast.

During the past few years his health was not the best, and he found it necessary to change his location, and went to Portland, where he remained only a short time, and later moved to Los Angeles, California, in the hope that this change would bring back his former health, but without avail, and he has passed from our midst.

The loss of Mr. McKowen will be felt, not only by his immediate family, but by a host of friends and associates, the Fraternity at large losing a thoroughly competent worker in his chosen profession.

By the passing away of J. H. McKowen, the Association loses an honorable member, a congenial companion, and one who was a credit to the Association.

C. D. GABRIELSON,
A. W. GIESY. } COMMITTEE.

EDWIN C. MORRISON

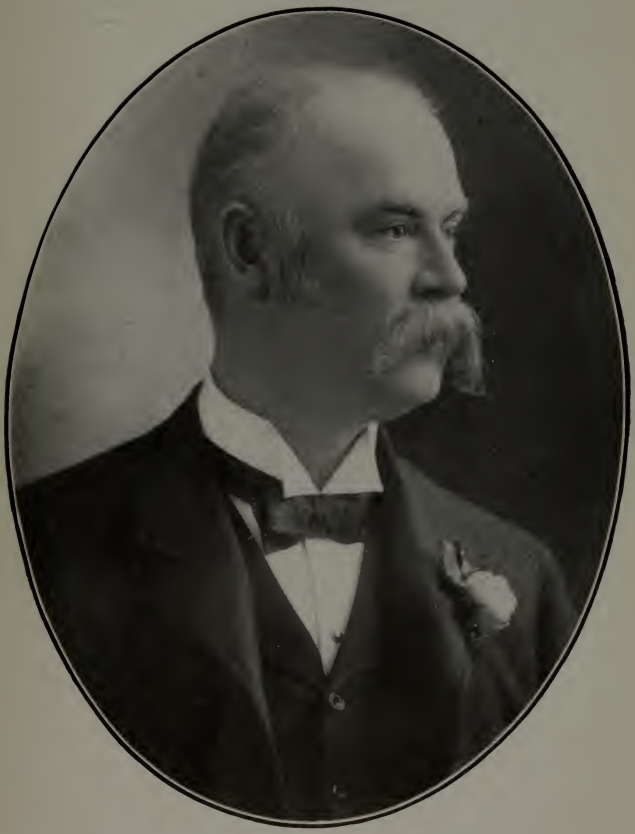
Whereas, the Infinite Wisdom has removed from our midst Edwin C. Morrison, a native of Penn Yan, New York, aged 62 years, member of this Association for many years:

Resolved, That in the passing of Edwin C. Morrison, this Association has lost a loved and valued associate, and each member a true and loyal friend, respected and honored by all who knew him:

That we extend to his widow and children our deepest sympathy, and share with them their sorrow:

That we remind them in their grief, that Death, though stern and sad, is kind, and that the cheerful, helpful and encouraging spirit of our departed friend remains with us.

GEORGE W. DORNIN,
H. R. MANN,
BENJAMIN J. SMITH,
} COMMITTEE.



EDWIN C. MORRISON



WILLIAM HERON LOWDEN

WILLIAM HERON LOWDEN

An honorable man has departed, traveling the road that every man must. We miss him, for his life was virile, clean and upright.

Born near Belfast, Ireland, July 17, 1846, Mr. Lowden in his young manhood followed in the footsteps of his father and journeyed to California. After a short mercantile career in Truckee he removed to San Francisco in 1869, to accept a position with the General Agency of the Phoenix and Home Insurance Companies, and was engaged continuously in the fire insurance business ever since. From 1874 until 1895 he was in the service of the North British and Mercantile Insurance Company for a time as Special Agent and for many years as Assistant Manager. He resigned to become Pacific Coast Manager of the Norwich Union Fire Insurance Society, Ltd., and in that capacity rounded out his career at the age of 66 years.

Mr. Lowden was given, and carried cheerfully, an unusual share of tbe burdens falling to Pacific Coast underwriters. He had no superior as a member of committees dealing with matters of rating. In handling the mutual interests of the companies under conflicting demands of state regulations, he had few equals. In the work of this Association he never failed to give his time and attention; and the papers written by him beginning with "What to Do When the Books are Burned,'' in 1887, constitute a high standard and have a national reputation.

His interests were varied. As a member of the Bohemian Club; one of the organizers of the Pacific Coast Amateur Photographic Association; a member of the Fresh Air Club of Oakland, he had many spheres of usefulness and recreation. His busy and helpful life was a heritage to all of us; and, his associates, in tendering their sympathy to his bereaved family, find words inadequate to express the loss of William Heron Lowden, which is so heartfelt by the Fire Underwriters' Association of the Pacific.

HERBERT FOLGER,
CALVERT MEADE,
WM. SEXTON.

CHARTER MEMBERS

Of the Fire Underwriters' Association of the Pacific

Organized February 23, 1876

*Bailey, Jas. D., General Agent, Union Insurance Co.
*Barney, E. T., General Agent, California Insurance Co.
*Bigelow, H. H., General Agent, Home Mutual Insurance Co.
Brush, R. G., City Agent, State Investment & Insurance Co.
*Brown, Edw., General Agent, Faneuil Hall & Lycoming Insurance Cos.
*Bromwell, L. L., Special Agent, Phoenix and Home Insurance Cos.
*Bryant, A. J., President State Investment & Insurance Co.
*Callingham, Wm. J., General Agent, Royal Canadian Insurance Co.
*Clark, Z. P., Agent, German-American Insurance Co.
*Dick, B. C., Agent, Kansas Insurance Co.
Dickson, Robt., Manager, Imperial, Northern & Queen Insurance Co.
*Doolan, Wm., Special Agent, State Investment & Insurance Co.
*Dornin, Geo. D., Secretary, Fireman's Fund Insurance Co.
*Garniss, J. R., Adjuster.
*Grant, Geo. F., Special Agent, North British & Mercantile Insurance Co.
*Gunnison, A. R., Special Agent, Commercial Insurance Co. of California.
*Hart, J. W., Agent, Scottish Commercial Insurance Co.
*Houghton, J. F., President Home Mutual Insurance Co.
*Landers, Wm. J., Manager, San Francisco Agency, Guardian Assurance Co.
*Lowe, B. F., Adjuster.
Macdonald, William, Surveyor, Board of Fire Underwriters.
Magill, R. H., General Agent, Home Mutual Insurance Co.
Potter, E. E., of Potter, Jacobs & Easton, General Agents.
Sexton, Wm., Special Agent, Fireman's Fund Insurance Co.
Smith, A. D., General Agent, Northwestern, Amazon & Fairfield Insurance Cos.
*Smith, Henry, Special Agent, Liverpool & London & Globe Insurance Co.
Snow, H. W., Special Agent, Commercial Union Assurance Co.
*Spencer, Geo. W., Special Agent Ætna Insurance Co.
*Staples, J. W., Adjuster.

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*Deceased.

OFFICERS AND COMMITTEES.

List of Officers and Committees of the Fire Underwriters' Association of the Pacific since organization:

Year.	President.	Vice-President.	Sec.-Treas.
1876	*Benjamin F. Low	*Henry H. Bigelow	*John W. Staples
1877	*George D. Dornin	*Wm. L. Chalmers	*John W. Staples
1878	*Augustus P. Flint	*Edward Brown	*John W. Staples
1879	*Caspar T. Hopkin	Andrew D. Smith	*John W. Staples
1880	*Geo. W. Spencer	*E. W. Carpenter	*John W. Staples
1881	*L. L. Bromwell	*Geo. F. Grant	*John W. Staples
1882	*George F. Grant	*E. W. Carpenter	*John W. Staples
1883	*E. W. Carpenter	William Sexton	*Robert H. Naunton
1884	William Sexton	C. Mason Kinne	*C. P. Farnfield
1885	C. Mason Kinne	*Zenas P. Clark	*Robert H. Naunton
1886	*Zenas P. Clark	*John W. Staples	*Robert H. Naunton
1887	*John W. Staples	*Wm. L. Chalmers	Bernard Faymonville
1888	*Wm. L. Chalmers	L. B. Edwards	Bernard Faymonville
1889	L. B. Edwards	*Wm. J. Callingham	Thomas W. Fenn
1890	Bernard Faymonville	*Wm. H. Lowden	*Robert H. Naunton
1891	*Wm. H. Lowden	Henry M. Grant	George H. Tyson
1892	Henry M. Grant	*Stephen D. Ives	*Edward Niles
1893	*Stephen D. Ives	Rolla V. Watt	Russell W. Osborn
1894	Rolla V. Watt	V. Carus Driffield	Russell W. Osborn
1895	V. Carus Driffield	Herbert Folger	Louis Weinmann
1896	Herbert Folger	R. W. Osborn	Louis Weinmann
1897	R. W. Osborn	*Edward Niles	Calvert Meade
1898	Louis Weinmann	Louis Weinmann	Calvert Meade
1899	*Edward Niles	Frank J. Devlin	Calvert Meade
1900	Frank J. Devlin	Geo. W. Dornin	Calvert Meade
1901	Geo. W. Dornin	Wm. H. Gibbons	Calvert Meade
1902	Wm. H. Gibbons	Whitney Palache	Calvert Meade
1903	Whitney Palache	Jacob L. Fuller	Calvert Meade
1904	Jacob L. Fuller	A. W. Thornton	Calvert Meade
1905	A. W. Thornton	F. B. Kellam	Calvert Meade
1906	F. B. Kellam	Arthur M. Brown	Calvert Meade
1907	Arthur M. Brown	John W. Gunn	Calvert Meade
1908	J. W. Gunn	Adam Gilliland	Calvert Meade
1909	Adam Gilliland	F. C. Staniford	Calvert Meade
1910	Frank C. Staniford	T. J. A. Tiedemann	Calvert Meade
1911	T. J. A. Tiedemann	F. J. Alex Mayer	Calvert Meade
1912	F. J. Alex Mayer	T. H. Williams	Calvert Meade

*Deceased.

EXECUTIVE COMMITTEE.

1876	*L. L. Bromwell	*James R. Garniss	*George F. Grant
1877	*Edward Brown	*William J. Landers	Andrew D. Smith
1878	Andrew D. Smith	*Oliver H. Cole	*George W. Spencer
1879	*Augustus P. Flint	William Macdonald	*Albert R. Gunnison
1880	*George F. Grant	*Edward Brown	*Oliver H. Cole
1881	*George W. Spencer	*E. W. Carpenter	C. Mason Kinne
1882	Thomas E. Pope	Andrew D. Smith	*Thomas A. Mitchell
1883	*George F. Grant	Harvey W. Snow	Oliver Hawes
1884	*George F. Grant	Harvey W. Snow	Oliver Hawes
1885	*George F. Grant	Harvey W. Snow	Oliver Hawes
1886	*H. K. Belden	*George F. Ashton	Calvert Meade
1887	*H. K. Belden	*George F. Ashton	Calvert Meade
1888	*W. J. Callingham	George C. Pratt	Rolla V. Watt
1889	Bernard Faymonville	*Wm. H. Lowden	*Henry K. Belden
1890	*H. K. Belden	*George Easton	Henry M. Grant
1891	*H. K. Belden	*George Easton	Alfred Stillman
1892	Alfred Stillman	*George Easton	V. Carus Driffield
1893	V. Carus Driffield	*Wm. H. Lowden	William Sexton
1894	Herbert Folger	Franz Jacoby	Jas. H. De Veuve
1895	R. W. Osborn	Frank J. Devlin	John T. Fogarty
1896	Frank J. Devlin	George W. Dornin	Whitney Palache
1897	*Frank G. Argall	*Edward Niles	Robert P. Fabj
1898	Whitney Palache	*Wm. H. Bagley	Leslie A. Wright
1899	John T. Fogarty	*Alfred R. Grim	Whitney Palache
1900	*Edward Niles	*Wm. H. Lowden	Russell W. Osborn
1901	Frank J. Devlin	Rolla V. Watt	William Sexton
1902	George W. Dornin	Herbert Folger	Louis Weinmann
1903	W. H. Gibbons	Herbert Folger	Louis Weinmann
1904	Whitney Palache	W. H. Gibbons	George W. Dornin
1905	J. L. Fuller	A. W. Thornton	W. H. Gibbons
		Whitney Palache	George W. Dornin
1906	A. W. Thornton	F. B. Kellam	R. W. Osborn
		Louis Weinmann	Herbert Folger
1907	F. B. Kellam	Arthur M. Brown	Herbert Folger
		W. H. Gibbons	J. L. Fuller
1908	Arthur M. Brown	John W. Gunn	Frank J. Devlin
		J. L. Fuller	Russell W. Osborn
1909	John W. Gunn	Adam Gilliland	F. B. Kellam
		Geo. W. Dornin	W. H. Gibbons
1910	Adam Gilliland	Louis Weinmann	A. W. Thornton
		Frank C. Staniford	Rolla V. Watt
1911	Frank C. Staniford	T. J. A. Tiedemann	William Sexton
		R. W. Osborn	J. W. Gunn
1912	T. J. A. Tiedemann	F. B. Kellam	Herbert Folger
		A. M. Brown	Louis Weinmann

*Deceased.

CALIFORNIA KNAPSACK.

1879	Charles Mason Kinne, Editor	W. Macdonald, Associate Editor
1880	Charles Mason Kinne, Editor	
1881	Charles Mason Kinne, Editor	*G. F. Grant, Associate Editor
1882	Charles Mason Kinne, Editor	
1883	Charles Mason Kinne, Editor	
1884	Charles Mason Kinne, Editor	
1885	*George F. Grant, Editor	
1886	*George F. Grant, Editor	
1887	*Edwin W. Carpenter, Editor	
1888	*Alexander J. Wetzlar, Editor	
1889	*Alexander J. Wetzlar, Editor	
1890	*George F. Grant, Editor	
1891	*George F. Grant, Editor	
1892	*George F. Grant, Editor	
1893	*George F. Grant, Editor	
1894	*George F. Grant, Editor	Edward Niles, Associate Editor
1895	*George F. Grant, Editor	Edward Niles, Associate Editor
1896	*George F. Grant, Editor	Edward Niles, Associate Editor
1897	*George F. Grant Editor	Edward Niles, Associate Editor
1898	*George F. Grant, Editor	Edward Niles, Associate Editor
1899	*George F. Grant, Editor	Edward Niles, Associate Editor
1900	*George F. Grant, Editor	Edward Niles, Associate Editor
1901	*George F. Grant, Editor	Edward Niles, Associate Editor
1902	*George F. Grant, Editor	Edward Niles, Associate Editor
1903	*George F. Grant, Editor	Edward Niles, Assoctate Editor
1904	*George F. Grant, Editor	Edward Niles, Associate Editor
1905	*George F. Grant, Editor	Edward Niles, Associate Editor
1906	*George F. Grant, Editor	Edward Niles, Associate Editor
1907	A. W. Thornton and A. C. Thornton, Associate Editors	
1908	A. W. Thornton and A. C. Thornton, Associate Editors	
1909	A. W. Thornton and A. C. Thornton, Associate Editors	
1910	A. W. Thornton and A. C. Thornton, Associate Editors	
1911	A. C. Thornton and G. A. R. Heuer, Associate Editors	
1912	A. C. Thornton and G. A. R. Heuer, Associate Editors	
1913	A. C. Thornton and G. A. R. Heuer, Associate Editors	

DINNER COMMITTEE.

†(From first banquet in 1881 to 1908)

	†*George W. Spencer	*George F. Grant
1908	*George W. Spencer	C. Mason Kinne
1909	C. Mason Kinne	E. C. Morrison
1910	Dixwell Hewitt	W. B. Hopkins
1911	H. P. Blanchard	W. O. Wayman
1912	H. P. Blanchard	W. O. Wayman
1913	H. P. Blanchard	W. O. Wayman

*Deceased.

NAME	YR	ADDRESS	TITLE	COMPANY
Agnew, F J	1904	201 Sansome st	Sp'l Agent	Pennsylvania Fire
Allan, Clarence E	1910	1031 Mer Ex Bldg	Adjuster	Pac. Coast Adj. Bureau
Alverson, W W	1898	374 Pine st	Asst M'gr	Associated Underwriters
Anderson, A C	1911	339 Sansome st	Sp'l Agent	N. Y. Und. Agency
Anderson, C H	1905	Collins Bldg Seattle	Sup Agents	Springfield F. & M.
Anderson, J McC	1912	212 Pine st	Res Secty	North British & Mercantile
Ankele, J H	1898	350 Sansome st	Genl Agent	International
Archer, R T	1908	Security Bldg Los A	Adjuster	Independent
Atkins, Frank E	1911	Walla Walla Wash	Sp'l Agent	L. & L. & Globe Ins. Co. Ltd.
Austin, J E	1912	Downs Bldg Seattle	Adjuster	Independent
Avery, Frank M	1908	315 California st	Manager	Fire Association of Phila.
Bailey, A E	1897	Hoge Bldg Seattle	Sp'l Agent	N. Y. Und. Agency
Bailey, A T	1913	401 Sansome st	Manager	New Hampshire Fire Ins. Co.
Baldwin, O D	1913	334 Pine st	Sp'l Agent	Niagara Fire Ins. Co.
Bangs, Franklin	1894	401 California st	Secretary	Home Fire & Marine Ins. Co.
Banks, J H	1907	Box 697 Salt Lake City	Sp'l Agent	Royal and Queen Ins. Cos.
Barsotti, Chas L	1911	315 California st	Sp'l Agent	Fire Association of Phila.
Bates, H L A	1890	343 Sansome st	Asst M'gr	Commercial Union Agency
Benner, Harry	1898	210 Sansome st	Sup Agents	Geo. H. Tyson Agency
Bertheau, Caesar	1891	411 Sansome st	Manager	Bertheau, Selbach & Bertheau Agy
Bertheau, Rudolph C	1913	411 Sansome st	Manager	Bertheau, Selbach & Bertheau Agy
Blanchard, H P	1902	401 California st	Asst Secty	Firemans Fund Ins. Co.
Boyd, Ralph T	1909	334 Pine st	Sp'l Agent	Niagara Fire Ins. Co.
Boyer, Z M	1912	Cof Com Bldg Portland	Sp'l Agent	Michigan Commercial Co.
Branch, F M	1908	341 Sansome st	Sup Agents	N. Y. Und. Agency
Brantley, H T	1913	Security Bldg Los An	Sp'l Agent	Scottish Union
Breeding, W H	1906	301 California st	Sup Agents	Ætna Ins. Co.
Brodenstein, E M	1911	Alaska Coml Bldg S F	Sp'l Agent	Law Union & Rock
Brooks, Geo W	1907	550 Sacramento st	Secretary	California Ins. Co.
Broomell, B B	1901	Fidelity Bldg Tacoma	Adjuster	Independent
Brown, A M	1894	202 Sansome st	Manager	E. Brown & Sons Agency
Brown, H H	1901	202 Sansome st	Genl Agent	E. Brown & Sons Agency
Brown, KennethM	1913	401 California st	Sp'l Agent	Firemans Fund Ins. Co.
Brush, R G	1892	I W Hellman Bldg L A	Sp'l Agent	L. & L. & Globe Ins. Co. Ltd.
Burger C H	1908	129 Leidesdorff st S F	Asst Secty	Western Assurance
Burke, H R	1895	Yucon Bldg Portland	Sp'l Agent	Royal and Queen Ins. Cos.
Burwell, W T	1912	N. Y. Block Seattle	Sp'l Agent	Geo. H. Tyson Agency
Buswell, H C R	1902	550 Sacramento st	Sup Agents	California Ins. Co.
Caine, E P	1908	405 Sansome st	Sp'l Agent	Wayman & Henry Agency
Camp, Gilman L	1913	Billings Montana	Sp'l Agent	Ins. Co. of North America
Carroll, J Percy	1913	420 Montgomery st	Sp'l Agent	Law Union & Rock
Chapman, A J	1912	314 California st	Genl Agent	Chapman & Nauman Agency
Chapuis, F A	1906	310 California st	Sp'l Agent	Germania
Christensen, Chas	1895	241 Sansome st	Manager	C. & Goodwin Agency
Churchill, Percy B	1913	M C Bldg Helena Mont	State Agent	Fire Association
Cleveland, W W	1905	405 Sansome st	Sp'l Agent	Wayman & Henry Agency

NAME	YR	ADDRESS	TITLE	COMPANY
Cobb, J F	1909	395 California st	Manager	Dixie Fire Ins. Co.
Codding, Geo C	1902	Kohl Bldg S F	Sup Agents	Springfield Ins. Co.
Coffey, W P	1910	Colo Bldg Denver Colo	Sp'l Agent	Firemans Fund Ins. Co.
Colvin, Chas A	1913	430 California st	Sup Agents	Caledonian Ins. Co.
Conly, Clifford	1912	210 Sansome st	Sp'l Agent	Geo. H. Tyson Agency
Conroy, T J	1899	430 California st		
Cosgrove, J E	1904	454 California st	Asst M'gr	Union Assur. Soc. Ltd.
Crandall, J E	1906	Byrne Bldg Los An	Sup Agents	Springfield Ins. Co.
Crux, Geo A	1898	229 Sansome st S F	Sp'l Agent	Vulcan Fire Ins. Co.
Curtis, J F D	1906	300 California st	Manager	Providence Wash Ins. Co.
Davenport, Dixwell	1913	Mer Exchge Bldg S F	Manager	National Union Fire Ins. Co.
Davis, H C	1910	576 Sacramento st S F	Sp'l Agent	Glens Falls and Security
Dearborn, G W	1908	234 Pine st S F	Sp'l Agent	North British & Mercantile
De Lappe, R	1897	241 Sansome st S F	Gen Adjr	Am. Central Ins. Co.
Dennis, J J	1899	Sherlock Bdg Portland	Sp'l Agent	Hartford Fire Ins. Co.
Dennis, Wm S	1910	430 California st S F	Sp'l Agent	Hartford Fire Ins. Co.
De Veuve, Clarence	1907	247 Sansome st S F	Genl Agent	Dubuque F. & M. Ins. Co.
Devine, Geo E	1905	430 California st S F	Sp'l Agent	Hartford Fire Ins. Co.
Devlin, F J		430 California st S F	Manager	Atlas Assurance Co.
Dibble, Leigh L	1909	Sonna Bldg Boise Idaho	Sp'l Agent	American Central
Dinsmore, H M	1912	202 Sansome st S F	Sp'l Agent	E. Brown & Sons Agency
Dollard, Robt E	1907	430 California st S F	Sp'l Agent	Hartford Fire Ins. Co.
Dornin, Geo W	1888	Kohl Bldg S F	Manager	Springfield F. & M.
Dornin, John C	1899	Kohl Bldg S F	Asst M'gr	Springfield F. & M.
Dunn, Henry F	1913	334 Pine st S F	Sp'l Agent	Niagara Fire Ins. Co.
Dutton, Grayson	1902	401 California st S F	City M'gr	Firemans Fund Ins. Co.
Dutton, Wm J	1882	401 California st S F	President	Firemans Fund Ins. Co.
Earle, Louis H	1912	430 California st S F	Sp'l Agent	Hartford Fire Ins. Co.
Edwards, D B	1913	514 California st S F	Sp'l Agent	L. & L. & Globe Ins. Co. Ltd.
Eitel, Edw E	1897	401 California st S F	Adjuster	Independent
Eldred, E P	1906	Box 965 Fresno Cal	Sp'l Agent	Royal and Queen Ins. Cos.
Elster, F H	1908	430 California st S F	Sp'l Agent	Atlas Assurance Co.
Emrick, Frank L	1909	Colman Bldg Seattle	Sp'l Agent	Firemans Fund Ins. Co.
Emery, R D	1911	214 Sansome st S F	Sp'l Agent	C. & Goodwin Agency
English, Munro	1913	343 Sansome st S F	Sp'l Agent	Phoenix Assurance Co. Ltd.
Fabj, Robt P	1893	514 California st S F	Asst M'gr	L. & L. & Globe Ins. Co. Ltd.
Farr, Fredrick H	1904	201 Sansome st S F	Sp'l Agent	Royal and Queen Ins. Cos.
Faust, M E	1911	105 W 6 st Los Angeles	Adjuster	Independent
Faymonville, Bernard	1888	401 California st S F	Vice Pres	Fireman's Fund Ins. Co.
Fisher, I M Jr	1911	Box 1118 Helena Mont	Sp'l Agent	Union Assur. Soc. Ltd.
Flack, E B	1906	Frost Bldg Los A	Sp'l Agent	American Central
Fogarty, John T	1891	Royal Bldg S F	Asst M'gr	Royal and Queen Ins. Cos.
Folger, Clinton	1901	334 California st S F	Joint M'gr	New Zealand Ins. Co.
Folger, Herbert	1891	210 Sansome st S F	Ast Gen Agt	German American Ins. Co.
Folger, Roy S	1910	Royal Ins Bldg S F	Sp'l Agent	Royal and Queen Ins. Cos.
Folger, Wm P	1911	Paulsen Bldg Spokane	Adjuster	Independent

NAME	YR	ADDRESS	TITLE	COMPANY
Fores, H W	1898	409 California st S F	Genl Agent	Scottish Union & National Ins. Co.
Fortmann, W G	1904	Sherlock Blg Portland	Sp'l Agent	New Zealand Ins. Co.
Francis, Guy	1899	310 Sansome st S F	Sp'l Agent	Connecticut Fire Ins. Co.
Frazier, W A	1909	Paulsen Bldg Spokane	Sp'l Agent	American Central Ins. Co.
French, C D	1912	Helena Mont	Sp'l Agent	Fireman's Fund Ins. Co.
French, J S	1901	401 California st S F	Asst Secty	Fireman's Fund Ins. Co.
Frith, T T		Helena Mont	Manager	Montana Fire Ins. Co.
Fritschi, J B	1911	Helena Mont	Sp'l Agent	American Central Ins. Co.
Froiseth, Bernard	1909	Box 250 Portland	Sp'l Agent	Ins. Co. of North America.
Fuller, John H	1904	409 California st S F	Sp'l Agent	Scottish Union & National Ins. Co.
Fuller, J L	1894	558 Sacramento st S F	Manager	Norwich Union Fire Ins. Society
Gabrielson, C D	1904	Salem Or	Sp'l Agent	Royal and Queen Ins. Cos.
Gallegos, R	1907	343 Sansome st S F	AsstGenAgt	Phœnix Assurance Co.
Gardiner, Thos M	1912	401 California st S F	Treasurer	Fireman's Fund Ins. Co.
Gaston, F W	1913	P O Box 1414 Tacoma	Sp'l Agent	Scottish Union & National Ins. Co.
Gay, J Robb	1909	Box 1640 Spokane	Sp'l Agent	Phœnix Assurance Co.
Gibbons, W H	1891	202 Sansome st S F	Sup Agents	E. Brown & Sons Agency
Giesy, A W	1898	Lewis Blg Portland Or	Sp'l Agent	Norwich Union Fire Ins. Society
Gill, Warren S	1906	Paulsen Bldg Spokane	Sp'l Agent	Wayman & Henry Agency
Gilliland, Adam	1899	430 California st S F	AsstGenAgt	Hartford Fire Ins. Co.
Goggin, Gerald E		160 Sansome st S F	City M'gr	London Assurance Corporation
Goodwin, Benj	1900	241 Sansome st S F	Manager	Christensen & Goodwin Agency
Gordon, Harry F	1904	219 Sansome st S F	Manager	Gordon & Hoadley Agency
Grant, H M	1888	Bd Trade Blg Portland	Adjuster	Independent
Gray, Geo T	1906	241 Sansome st S F	Sp'l Agent	Christensen & Goodwin Agency
Greenwalt, C L	1910	300 California st S F	Sp'l Agent	Providence-Washington
Griffith, P H	1905	Wilcox Bldg Los A	Sp'l Agent	Hartford Fire Ins. Co.
Gunn, John W	1898	514 California st S F	Manager	L. & L. & Globe Ins. Co. Ltd.
Hackett, Wm H	1913	160 Sansome st S F	Sup Agents	London Assurance Corporation
Hale, L M	1910	202 Sansome st S F	Sp'l Agent	E. Brown & Sons Agency
Hall, Almon J	1913	Sonna Bldg Boise Id	Adjuster	Independent
Hall, Henry	1909	Realty Bldg Spokane	Adjuster	Independent
Hall, Otho N	1888	343 Sansome st S F	Sp'l Agent	Phœnix Assurance Co.
Hamilton, J K	1889	343 Sansome st S F	AsstGenAgt	Ins. Co. of North America
Hammond, J J	1910	401 California st S F	Sp'l Agent	Fireman's Fund Ins. Co.
Harris, C B	1913	Box 993 Spokane	Sp'l Agent	Henry & Wayman Agency
Harrison, J Hunter	1906	343 Sansome st S F		Ins. Co. of North America
Hatcher, J B	1909	210 Sansome st S F	Sp'l Agent	G. H. Tyson Agency
Heath, Thos S	1912	Gas & Elec Blg Denver	S'pl Agent	London Assurance Corporation
Heltzell, A C	1913	Bd of Trade Bldg Or	Adjuster	Pacific Coast Adjusting Bureau
Henderson, C Wm	1913	343 Sansome st S F	Sp'l Agent	Phœnix Assurance Co.
Henry, Carl A	1898	Sac and Sansome sts S F	Jt Gen Agt	Henry & Wayman Agency
Heuer, G A R	1905	301 California st S F	Sp'l Agent	Ætna Ins. Co.
Heuer, Geo F	1910	343 Sansome st S F	Sp'l Agent	Commercial Union Assurance Co.
Hewitt, Edgar F	1912	Hotel St Francis Sac	Sp'l Agent	Geo. H. Tyson Agency
Hewitt, Dixwell	1891	430 California st S F	Genl Agent	Hartford Fire Ins. Co.

NAME	YR	ADDRESS	TITLE	COMPANY
Hildreth, H P	1908	Colman Bldg Seattle	Sp'l Agent	British America Assurance Co.
Hoadley, Geo O	1906	219 Sansome st S F	Manager	Gordon & Hoadley Agency
Hodgkinson, Arnold	1913	Oakland, Cal	Secretary	Vulcan Fire Ins. Co.
Holland, E C R	1913	I W Hellman Bldg L A	Sp'l Agent	Geo. H. Tyson Ins. Agency
Hopkins, W B	1890	571 Sacramento st S F	Sup Agents	London & Lancashire Fire Ins. Co.
Hosmer, F W	1912	160 Sansome st S F	Sp'l Agent	London Assurance Corporation
Hougaard, J A	1909	323 Kohl Blg S F	Sec & M'gr	Commonwealth Securities Co.
Houseworth, Harrison	1907	514 California st S F	Sp'l Agent	L. & L. & Globe Ins. Co. Ltd.
Howard, J C	1909	I W Hellman Bldg L A	Sp'l Agent	Geo. H. Tyson Ins. Agency
Humphreys, Thos V	1913	202 Sansome st S F	Sp'l Agent	E. Brown & Sons Agency
Hunter, Frank L	1906	334 California st S F	Manager	
Hunter, Robt D	1893	401 California st S F	Sup Agents	Fireman's Fund Ins. Co.
Irving, Washington	1909	343 Sansome st S F	Genl Agent	Phœnix Assurance Co.
Jacoby, Franz	1888	Oakland Cal	Superint'nt	Altenheim
Janes, Geo J	1913	514 California st S F	Sp'l Agent	L. & L. & Globe Ins. Co. Ltd.
Johnsen, J Edward	1911	Paulsen Bldg Spokane	Sp'l Agent	London Assurance Corporation
Johnston, Jas C	1908	343 Sansome st S F	Genl Agent	Ins. Co. of North America
Jones, A W	1910	Am Bank Bldg Seattle	Adjuster	Independent
Kaltz, Bruce	1906	Hoge Bldg Seattle	Sp'l Agent	Wayman & Henry Agency
Keeley, H J	1913	240 Sansome st S F	Sp'l Agent	Christensen & Goodwin Agency
Kellam, Fred B	1898	201 Sansome st S F	Branch Sec	Royal and Queen Ins. Cos.
Kelly, McClure	1910	362 Pine st S F	Manager	Yorkshire Fire Ins. Co.
Kenna, Jas R	1911	405 Sansome st S F	Sp'l Agent	Wayman & Henry Agency
Kinney, C C	1910	201 Sansome st S F	Manager	Franklin Fire Ins. Co.
Knowles, E C F	1909	Concord Bldg Portland	Sp'l Agent	Phœnix Assurance Co.
Klinger, Wm M	1898	401 California st S F	Sp'l Agent	Fireman's Fund Ins. Co.
Kuhl, Wm F	1909	Wilcox Bldg Los A	Sp'l Agent	Insurance Co of North America
Lamey, H T	1900	1210 17th st Denver	Manager	Brit. America & Western Assur.
Lamping, Lawrence F	1894	Burke Bldg Seattle	State Agent	Royal Exchange Assn.
Lanagan, Fred R	1911	Colorado Bldg Denver	Sp'l Agent	Fireman's Fund Ins. Co.
Lathrop, F A	1912	558 Sacramento st S F	Sp'l Agent	Pennsylvania Ins. Co.
Lindsay, A N	1907	Central Bldg Seattle	Sp'l Agent	California Ins. Co.
Lloyd, W G	1910	Bd Trade Blg Portland	Adjuster	Independent
Lockey, Richard	1888	Helena Mont	Adjuster	Independent
Lowden, E Kenneth	1911	558 Sacramento st S F	Sp'l Agent	Norwich Union Fire Ins. Society.
Lyndall, Chas P	1899	Central Bldg Los A	Sp'l Agent	New Zealand Ins. Co.
McCarthy, Chas V	1907	246 Stark st Portland	Sp'l Agent	Pennsylvania Fire Ins. Co.
McConnell, A C	1912	Bradbury Bldg Los A	Sp'l Agent	Pennsylvania Fire Ins. Co
Macdonald, Wm	1876	340 California st S F	Genl Agent	Macdonald & Miles Agency
Macdonald, Burns	1898	340 California st S F	Sp'l Agent	Macdonald & Miles Agency
MacKay, J M	1913	Ch of Com Blg Portland	M Auto Dep	St. Paul Fire & Marine Ins. Co.
Magee, J F	1909	374 Pine st S F	Manager	Associated Underwriters
Main, Geo T	1910	Leary Bldg Seattle	Adjuster	Independent
Manheim, Henry F	1905	453 Montgomery st S F	President	Manheim & Dibbern

NAME	YR	ADDRESS	TITLE	COMPANY
Mann, H R Jr	1910	341 Sansome st S F	Office M'gr	N. Y. Underwriters
Mann, H R	1878	341 Sansome st S F	Genl Agent	N. Y. Underwriters
Manning, F J H	1893	343 Sansome st S F	Sp'l Agent	Com'l Union Assurance Co.
Manning, Wm	1905	1732 Welton st Denver	Sp'l Agent	Atlas Assurance Co.
Mariner, G S	1908	Paulsen Bldg Spokane	Sp'l Agent	Ætna Ins. Co.
Marsh, R T	1913	Kohl Bldg S F	M'gr C Dep	Springfield F. & M. Ins. Co.
Mason, J R	1912	Haller Bldg Seattle	Br Manager	Pac. Coast Adj. Bureau
Mayer, F J Alex	1901	Sherlock Blg Portland	State Agent	Fire Association of Phila.
Meade, Calvert	1888	558 Sacramento st S F	Adjuster	Sec. Fire Underwriters' Ass'n
Medcraft, R C	1894	454 California st S F	Manager	Union Assurance Co.
Mendell, John M	1902	160 Sansome st S F	Asst M'gr	London Assurance Co.
Mesick, S P	1900	201 Sansome st S F	Sup Agents	Pennsylvania Fire Ins. Co.
Miles, D E	1888	340 California st S F	Genl Agent	Macdonald & Miles Agency
Miller, Chas E	1906	Box 1508 Salt Lake	Sp'l Agent	Hartford Fire Ins. Co.
Miller, Robt V	1913	430 California st S F	Sp'l Agent	Atlas Assurance Co.
Miller, W L W	1905	129 Leidesdorff st S F	Manager	British America Assurance Co.
Morgan, E C	1906	246 Stark st Portland	Sp'l Agent	Providence-Washington Ins. Co.
Morison, Henry A	1913	Box 693 Seattle	Sp'l Agent	Reliance and Standard
Morrow, J H	1909	I W Hellman Bldg L A	Sp'l Agent	Com'l Union Assurance Co.
Murphy, Jos A	1905	Railway Ex Bg Portl'd	Sp'l Agent	Ætna Ins. Co.
Myrick, Chester S	1912	514 California st S F	Sp'l Agent	L. & L. & Globe Ins. Co. Ltd.
Nauman, H A	1912	322 California st S F	Genl Agent	American Union
Nelson, Noah L	1912	Corbett Bldg Portland	Genl Agent	Law Union & Rock
Niebling, E T	1890	343 Sansome st S F	Manager	Com'l Union Assurance Co.
Nippert, Paul M	1888	Mills Bldg S F	R Vice Pres	Fidelity & Deposit Co.
Normand, Paul A	1912	324 Sansome st S F	Sp'l Agent	Home of N. Y.
Nourse, Bayard E	1913	401 California st S F	Sp'l Agent	Fireman's Fund Ins. Co.
O'Brien, H E	1910	Germain Bldg Los A	Sp'l Agent	Ætna Ins. Co.
O'Brien, J T	1910	Old Nat Bk Blg Spok'e	Sp'l Agent	Royal and Queen Ins. Cos.
O'Grady, Thos F	1912	315 California st S F	Sp'l Agent	Fire Association of Phila.
Olds, A C	1913	430 California st S F	Manager	Caledonian Ins. Co.
Osborn, R W	1892	201 Sansome st S F	Manager	Pennsylvania Fire Ins. Co.
Palache, Whitney	1890	430 California st S F	Genl Agent	Hartford Fire Ins. Co.
Parker, Douglas	1913	410 Sansome st S F	Sp'l Agent	Geo. H. Tyson Agency
Parker, Dudley A	1909	334 California st S F	Sp'l Agent	New Zealand Ins. Co. Ltd.
Parkhurst, H E	1909	244 Stark st Portland	Sp'l Agent	Com'l Union Assurance Co.
Parmentier, C R	1912	241 Sansome st S F	Sp'l Agent	St. Paul F. & M. Ins. Co.
Parrish, Edwin	1900	334 Pine st S F	Manager	Niagara Fire Ins. Co.
Partridge, F E	1912	Realty Bldg Spokane	Adjuster	Independent
Patterson, Wm M	1911	Wilcox Bldg Portland	Sp'l Agent	Union Assurance Society Ltd.
Penfield, A J	1909	430 California st S F	Sup Agents	Atlas Assurance Co.
Penfield, B L	1910	Douglas Bldg Los A	Sp'l Agent	N. Y. Underwriters Agency
Perry, Frederick J		201 Sansome st S F	Sp'l Agent	Royal and Queen Ins. Cos.
Perry, Percy J	1912	N Y Block Seattle	Sp'l Agent	London Assurance Corporation
Pierce, D W	1899	222 Franklin st Los A	Local Agt	
Porep, Walter P	1907	Mehlhorn Bldg Seattle	Sp'l Agent	Geo. H. Tyson Agency

NAME	YR	ADDRESS	TITLE	COMPANY
Potter, Edw E	1910	578 Sacramento st S F	Genl Agent	Williamsburg City Fire Ins Co.
Potter, E G	1910	578 Sacramento st S F	Sp'l Agent	Williamsburg City Fire Ins. Co.
Potter, W W	1910	578 Sacramento st S F	Asst Gen Ag	Williamsburg City Fire Ins. Co.
Prinsen, John A	1910	315 S Broadway L A	Genl Agent	Prussian National
Quick, Jas R	1906	2330 Thayer av Spok'e	Sp'l Agent	Fireman's Fund Ins. Co.
Quitzow, Chas	1908	Hibernia Bldg Los A	Sp'l Agent	Home of N. Y.
Quitzow, V H	1904	339 Sansome st S F	Sp'l Agent	N. Y. Underwriters Agency
Randall, Harry W	1910	70 4th st Portland	Sp'l Agent	Norwich Union Fire Ins. Society
Raymond, Walter H	1901	Sherlock Blg Portland	Sp'l Agent	L. & L. & Globe Ins. Co. Ltd.
Reed, James S	1898	Sherlock Blg Portland	Sp'l Agent	Connecticut Fire Ins. Co.
Reynolds, Ralph H	1913	Union Oil Bldg Los A	Sp'l Agent	Niagara Fire Ins. Co.
Richards, F F	1913	Pacific Elec Bldg Los A	Sp'l Agent	Union Assurance Co.
Richards, J H	1901	340 Sansome st S F	Genl Agent	Rio Grande Fire Ins. Co.
Roberts, Geo F	1911	2627 Haste st Berkeley	Sp'l Agent	Phoenix Assurance Co.
Robins, Fred C H	1898	330 California st S F	Manager	Northern Assurance Co.
Robins, Leigh H	1910	Central Bldg Los A	Sp'l Agent	California Ins. Co.
Rohrer, C W	1911	Storey Bldg Los A	Sp'l Agent	London Assurance Corporation
Rountree, R H	1904	514 California st S F	Sp'l Agent	L. & L. & Globe Ins. Co. Ltd.
Rowe, E A	1908	Security Bldg Los A	Sp'l Agent	Wayman & Henry Agency
Sabin, H W	1912	Ex Bank Bldg Spokane	Sp'l Agent	Atlas Assurance Co. Ltd.
Sanderson, A G	1910	301 California st S F	Genl Agent	Ætna Ins. Co.
Schnabel, J D	1913	411 Sansome st S F	Sp'l Agent	Bertheau, Selbach & Bertheau Agy
Schoeneman, F J	1908	234 Pine st S F	Sp'l Agent	North British & Mercantile
Selbach, B O	1913	411 Sansome st S F	Manager	Bertheau, Selbach & Bertheau Agy
Sexton, Wm	1876	401 California st S F	Genl Adj	Fireman's Fund Ins. Co.
Shankland, T C	1910	Lewis Bldg Portland	Adjuster	Independent
Sheehan, John J	1910	324 Sansome st S F	Asst Gen Ag	Home Ins. Co. N.Y.
Sherrard, McKee	1906	362 Pine st S F	Asst M'gr	Yorkshire Ins. Co. Ltd.
Sifford, B A	1910	Sherlock Blg Portland	Sp'l Agent	California Ins. Co.
Simmen, Samuel	1912	401 California st S F	Sp'l Agent	Fireman's Fund Ins. Co.
Smith, Benj J	1890	Alaska Com'l Blg S F	Manager	Connecticut Fire Ins. Co.
Smith, C W	1895	521 Mer Ex Bldg S F	Manager	C. W. Smith & Co. Agency
Smith, Geo O	1910	343 Sansome st S F	Sp'l Agent	Ins. Co. of North America
Smith, Harry H	1893	310 Sansome st S F	Manager	Law Union & Rock
Smith, Roderick E	1908	Bd Trade Blg Portland	Sp'l Agent	London Assurance Corporation
Spaulding, M E	1907	430 California st S F	Sp'l Agent	Hartford Fire Ins. Co.
Speyer, Walter M	1893	334 California st S F	Joint M'gr	New Zealand Ins. Co. Ltd.
Staniford, F C	1897	558 Sacramento st S F	Sp'l Agent	Norwich Union Fire Ins. Society
Staniford, Geo F	1910	Storey Bldg Los A	Sp'l Agent	Fire Association of Philadelphia
Stephenson, McCrea	1913	343 Sansome st S F	Sp'l Agent	Phœnix Assurance Co.
Stewart, D L	1906	1025 8th st, Sacramento	Sp'l Agent	Royal and Queen Ins. Cos.
Stewart, Neil	1909	Spokane	Sp'l Agent	Hartford Fire Ins. Co.
St John, Paul	1913	430 California st S F	Sp'l Agent	Caledonia & Aachen & Munich
Stone, Chas R	1913	343 Sacramento st S F	Sp'l Agent	Phoenix Assurance Co.
Stovel, C J	1897	537 Sacramento st S F		

NAME	YR	ADDRESS	TITLE	COMPANY
Stoy, Sam B	1893	571 Sacramento st S F	Sup Agents	London & Lancashire Fire Ins. Co.
Swan, Geo W	1910	Box 1732 Spokane	Sp'l Agent	Com'l Union Assurance Co.
Swift, Chester A	1910	Byrne Bldg Los A	Sp'l Agent	Fireman's Fund Ins. Co.
Tebben, Fred	1913	C of C Blg Portland	Sp'l Agent	St. Paul F. & M. Ins. Co.
Thomson, Maxwell H	1899	405 Sansome st S F	Asst Gen Ag	Wayman & Henry Agency
Thompson, Chas R	1895	Sherlock Blg Portland	Sp'l Agent	Fireman's Fund Ins. Co.
Thompson, E R	1910	Wilcox Bldg Portland	Sp'l Agent	Wayman & Henry Agency
Thornton, Arthur C	1898	240 Sansome st S F	Genl Agent	Prussian National Ins. Co.
Thornton, A W	1894	160 Sansome st S F	Manager	London Assurance Corporation
Ticknor, Henry B	1909	401 California st S F	Sp'l Agent	Fireman's Fund Ins. Co.
Tiedemann, T J A	1894	314 California st S F	Genl Agent	Gen. Accident F. & L. Assur. Corp.
Tomlinson, Percy	1910	324 Sansome st S F	Inspector	Home Ins. Co. of N. Y.
Tower, F H	1908	Laughlin Bldg Los A	Adjuster	Independent
Townsend, Geo E	1912	301 California st S F	Sp'l Agent	Ætna Ins. Co.
Trumbull, J B	1907	Central Bldg Seattle	Sp'l Agent	American Union Fire Ins. Co.
Tyson, Geo H	1888	210 Sansome st S F	Genl Agent	German Amer. Ins. Co.
Urmston, J K	1904	Henne Bldg Los A	Sp'l Agent	Royal and Queen Ins. Cos.
Van Valkenburg, Chas	1906	Story Bldg Los A	Sp'l Agent	E. Brown & Sons Agency
Vincent, F O	1912	210 Sansome st S F	Sp'l Agent	Geo. H. Tyson Agency
Von Tagen, Chas W	1911	310 Sansome st S F	Sp'l Agent	Connecticut Fire Ins. Co.
Waggaman, J L M	1911	201 Sansome st S F	Sp'l Agent	Franklin Fire Ins. Co.
Walden, J B	1898	201 Sansome st S F	Sp'l Agent	Royal and Queen Ins. Cos.
Wallace, W L	1913	334 California st S F	Office M'gr	Los Angeles Fire Ins. Co.
Ward, Chas H	1898	150 Sansome st S F	Genl Agent	Firemen's Ins. Co. of Newark
Ward, G Harold	1913	1031 Mer Ex Bldg S F	Adjuster	Pac. Coast Adj. Bureau
Warner, J W	1907	550 Sacramento st S F	Sp'l Agent	California Ins. Co.
Waters, J N	1889	405 Sansome st S F	Sp'l Agent	Wayman & Henry Agency
Watson, Irwin S	1908	White Bldg Seattle	Secretary	Fire Ins. Co. of Seattle
Watson, Kenneth	1904	229 Sansome st S F	Genl Agent	Hanover Fire Ins. Co.
Watt, Rolla V	1888	Royal Ins Bldg S F	Manager	Royal and Queen Ins. Cos.
Wayman, Willard O	1898	Sac and Sansome sts S F	Joint G'l Agt	Wayman & Henry Agency
Webber, A E	1913	401 California st S F	Sp'l Agent	Fireman's Fund Ins. Co.
Webber, J F R	1897	Lewis Bldg Portland	Sp'l Agent	Springfield F. & M. Ins. Co.
Weinmann, Louis	1890	401 California st S F	Secretary	Fireman's Fund Ins. Co.
Weinmann, P R	1909	550 Sacramento st S F	Sp'l Agent	California Ins. Co.
Wellington, Geo J	1900	1367 Vallejo st S F	Ins Engr	
Wells, W Harvey	1912	C of C Bldg Portland	Sp'l Agent	Geo. H. Tyson Agency
Wendler, Chas A	1904	Paulsen Bldg Spokane	Sp'l Agent	E. Brown & Sons Agency
Westlake, W B	1908	202 Sansome st S F	Sp'l Agent	E. Brown & Sons Agency
Whelan, W D	1900	Byrne Bldg Los A	Sp'l Agent	Fireman's Fund Ins. Co.
White, Frank G	1893	Colorado Bldg Denver	Genl Agent	Fireman's Fund Ins. Co.
Whitmer, A W	1899	70 4th st Portland	Manager	Whitmer, Kelly Agency
Wilkie, Andrew	1909	454 California st S F	Adjuster	Independent
Williams, T H	1894	210 Sansome st S F	Genl Adj	Geo. H. Tyson Agency

NAME	YR	ADDRESS	TITLE	COMPANY
Windus, W V	1907	Realty Bldg Spokane	Br M'gr	Pac. Coast Adj. Bureau
Withers, Wm K	1913	1013 Mer Ex Bldg S F	Adjuster	Pac. Coast Adj. Bureau
Wright, A C	1909	340 California st S F	Sp'l Agent	Westchester Fire Ins. Co.
Wyper, James	1907	571 Sacramento st S F	Manager	London & Lancashire Fire Ins. Co.
Yates, J P	1912	213 S Broadway L A	Sp'l Agent	London & Lancashire Fire Ins. Co.
Young, E J	1905	Am Bank Bldg Seattle	Sp'l Agent	North Brit. & Mercantile Ins. Co.
Young, Frank H	1908	Kohl Bldg S F	Sp'l Agent	Springfield F. & M. Ins. Co.
Young, Junius	1913	Kearns Bldg Salt Lake	Sp'l Agent	Home Ins. Co.
Young, Walter D	1913	Nicolaus Bldg Sac'to	Sp'l Agent	Niagara Fire Ins. Co.
Young, Walter H	1907	314 California st S F	Sp'l Agent	Mich. Com'l Ins. Co.
Zwick, W F	1906	Hoge Bldg Seattle	Sp'l Agent	St. Paul F. & M. Ins. Co.

HONORARY MEMBERS

NAME	YR	ADDRESS	COMPANY
Bacon, E H	1909	1103 Mer Ex Bldg S F	Editor Coast Review
Butler, Geo E	1908	Ross Valley California	
Carey, Jas A	1897	235 Montgomery st S F	Editor Adjuster
Chard, Thos S	1898	Brookline Mass	
Coogan, T C	1912	904 Mer Ex Bldg S F	Attorney
Dickson, Robt	1898	32 South st Baltimore	Insurance Broker
Donnell, Sam M	1898	Forest av Pacific Grove	
Drew, Cyrus K	1908	Gas & Elec Blg Denver	Editor Insurance Report
Driffield, V Carus	1909	Mer Ex Bldg S F	General Manager Pacific Coast Adj. Bureau
Du Val, W S	1903	Mer Ex Bldg S F	Dist. Secretary Board of Fire Underwriters
Edwards, L B	1909	Mills Bldg S F	
Granger, H T	1912	Coleman Bldg Seattle	Attorney
Grant, Tom C	1908	Syndicate Blg Oakland	President Vulcan Fire Insurance Co.
Gurrey, Alfred R	1908	Boston Bldg Honolulu	Sec. Board of F. U. of Territory of Hawaii
Haven, Chas D	1912	San Jose Cal.	
Herold, Rudolph Jr	1909	Russ Bldg S F	Insurance Broker
Hitchcock, C I	1909	Louisville Ky	Editor Insurance Field
Keene, Walter F	1912	Colman Bldg Seattle	Insurance Examiner
Kinne, C Mason	1912	Hotel Granda S F	
Laton, Chas A	1902	45 Kearny st S F	Financial Agent
Marshall, John Jr	1903	Chicago Ill	Manager Fireman's Fund Insurance Co.
McCune, James N	1912	Sherlock Blg Portland	Secretary Underwriters Rating Bureau
McElhone, F H	1903	Chicago Ill	Manager Fireman's Fund Insurance Co.
McKenzie, Lee	1904	Colman Bldg Seattle	Prop. of Wash. Surveying & Rating Bureau
Merrill, Wm H	1912	207 E Ohio st Chicago	Manager Underwriters Laboratory
Mohrhardt, E F	1897	Mer Ex Bldg S F	Secretary Board of Fire Underwriters

NAME	YR	ADDRESS	COMPANY
Mullins, C F	1909	London, England	
Neal, Robt W	1897	417 Montgomery st S F	Editor Pacific Underwriter
Page, H R	1912	Box 73 Victoria B C	Sec-Treas Vancouver Island F. U. Assn of B. C.
Piver, John C	1909	160 Sansome st S F	Editor Underwriters Report
Porter, F H	1895	Mer Ex Bldg S F	Chief Inspector F. U. Inspection Bureau
Robertson, Geo N	1905	Mer Ex Bldg S F	Chief Engineer Board of Fire Underwriters
Ross, Andrew W	1912	Crown Blg Vancouver	Secretary Mainland Fire Underwriters Assn.
Smith, A D	1891	Oakland Cal.	Superintendent Mt. View Cemetery
Spencer, David A	1911	Mer Ex Bldg S F	Manager Ins. Brokers Exchange
Stillman, Alfred	1902	Mer Ex Bldg S F	Advisory Director Bd. of Fire Underwriters
Stone, J C	1904	Mer Ex Bldg S F	
Taffinder, W G	1910	Clunie Bldg S F	Editor Pacific Underwriter
Thompson, E L	1900	Cham Com Blg Portl'd	
Williams, S G	1904	Symes Bldg Denver	Attorney
Wilson, John Scott	1910	11 Montgomery st S F	Insurance Broker
Winne, Peter	1888	ContinentalBlgDenver	

DECEASED MEMBERS.

Agard, J. J.
Argall, F. G.
Ashton, Geo. F.
Bagley, W. H.
Barnett, B. N.
Balzer, Henry
Bailey, James D.
Belden, H. K.
Bigelow, H. H.
Boyd, H. C.
Boardman, Geo. C.
Bradford, J. D.
Bryant, A. J.
Brumsey, J. A.
Brown, Edward
Broderick, W. J.
Bromwell, L. L.
Callingham, W. J.
Carey, Howard F.
Carpenter, E. W.
Chalmers, W. L.
Clark, Z. P.
Cofran, J. W. G.
Dohrmann, C. W.
Dornin, Geo. D.
Dibbern, J. H.
Dick, B. C.
Duffy, Thos. J.
Ecklin, Chas. E.
Edwards, J. G.
Farnfield, C. P.
Flint, A. P.
Friend, Roger B.
Frank, William
Garniss, Jas. R.
Grant, Geo. F.
Grim, A. R.
Gunnison, A. R.
Haven, Frederick L.
Hanscom, W. W.
Heath, Wm. R.
Henry, Paul M.
Hill, Chas. B.
Hine, C. C.
Holmes, W. H.
Hopkins, C. T.
Houghton, J. F.
Hunt, S. O.
Ives, S. D.
Kenney, J. J.
Koempel, H. C.
Landers, Wm. J.
Lavery, J. G.
Lee, Bruce B.
Lowe, B. F.
Low, H. L.
Lowden, W. H.
Lord, Leslie
Low, Geo. P.
Magill, Arthur E.
Manheim, Isaac
McHenry, C. B.
McKowen, J. H.
McVean, D. M.
Morrison, E. C.
Mitchell, T. A.
Naunton, R. H.
Nichols, C. M.
Niles, Edward
Scott Chas. O.
Sewell, Amos F.
Seaton, L. M.
Sinclair, A. P.
Smedberg, W. R.
Smith, H. Brownson
Smith, Henry
Snyder, A. A.
Spencer, Geo. W.
Spears, Jacob V.
Staples, D. J.
Staples, J. W.
Strader, J. E
Stover, Fred R.
Stoddart, W. J.
Story, Chas. R.
Swett, Frank H.
Thomas, W. P.
Thomas, John O.
Touchard, Gustave
Wetzlar, A. J.
Wheeler, Dalton
Wilson, D. B.

San Francisco Addresses of the Officers of the Fire Underwriters Association of the Pacific for the Year 1913

T. H. Williams, President, - 210 Sansome St., San Francisco

R. C. Medcraft, Vice-President, - - - - 454 California St.

Calvert Meade, Secretary-Treasurer, - - - - 334 Pine St.,

J. P. Moore, Ass't Sec'y and Librarian, 939 Merchants' Ex. Bldg.

W. H. Gibbons, Chairman Executive Committee, 202 Sansome St.

A. C. Thornton, Associate Editor Knapsack, - 240 Sansome St.

G. A. R. Heuer, Associate Editor Knapsack, - 301 California St.

Association Library Room, - 939 Merchants' Exchange Bldg.

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